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D 8523 B

Allianz keeps fellow insurers on their toes, Page 24

Admission	Sch. 18	Indonesia	Rp 2500	Peru	Esc 60
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NEWS SUMMARY

GENERAL

Left is ahead in Managua elections

Nicaragua's left-wing Sandinista Party has won the expected overwhelming victory in the country's first elections since the Sandinistas overthrew the dictatorship of General Somoza in 1979, according to preliminary returns.

With results in from 617 of the 3,022 polling stations, the Sandinistas appear to have taken 85 per cent of the vote for the National Assembly, president and vice-president.

The Liberal Independents and Conservative Democrats both took 11 per cent of the vote. Disruption of the polls by the US-backed guerrillas was minimal. Eleven polling stations were unable to open because of military activity and two were attacked, resulting in the death of one electoral official.

S. Africa killings

Large parts of South Africa's industry were brought to a halt as thousands of blacks obeyed a call to stay away from work. Two blacks, including a policeman, were killed in violence near Johannesburg, Page 4

Polish charge

Polish Interior Ministry official Colonel Adam Pietruszka has been charged with aiding the kidnappers of murdered priest Jerzy Popieluszko.

Manila plot order

A Philippine judicial body ordered armed forces chief Fabian Ver and 25 other people to respond in allegations that they were involved in a plot to murder opposition leader Benigno Aquino.

Chilean resignation

The Chilean cabinet resigned after Interior Minister Sergio Vera, appointed last year to carry out political reforms, quit his post.

P-2 extradition

Uruguay has extradited to Switzerland an Italian accused of helping P-2 masonic lodge leader Licio Gelli to escape from a Geneva prison.

Moscow error

An announcement of a Soviet fuel embargo against Britain in support of the long-running miners' strike appears to have been a political error and has caused embarrassment in Moscow.

Yugoslav trial

The trial on conspiracy charges of six Yugoslav dissidents opened, then adjourned for a day to consider a defence challenge to the presiding judge. Background, Page 3

Haitians caught

Seven Haitians opposed to President Jean-Claude Duvalier were detained aboard a boat with arms off the French Caribbean island of Guadeloupe.

Hostage escapes

The 23-year-old son of an Italian businessman freed himself from a chain and fled a Rome apartment where kidnappers had held him for seven months. Francesco Perillo was suffering from bronchitis and a high fever, police said.

Venice blaze

Firemen in launches tackled a fire that destroyed two Venetian residential palaces near St Mark's Square and caused damage estimated at \$4.3m.

Kabul attack

Five people were killed and 16 injured in Afghanistan's capital of Kabul when U.S.-made missiles hit an old sector of the city, according to the state-run Radio Kabul.

BUSINESS

Gulf & Western bids for publisher

GULF & WESTERN of New York launched a \$683m cash bid for publisher Prentice-Hall, which urged its shareholders not to respond hastily. The offer is worth \$70 a share. Page 22

DOLLAR was mostly weaker in London, falling to DM 2.9285 (DM 2.948), SwFr 2.4075 (SwFr 2.4255) and FFr 8.99 (FFr 9.055), but rising to Y242.05 (Y241.85). On Bank of England figures, the dollar's trade-weighted index fell to 138.5 from 138.8. In New York it closed at DM 2.9375, FFr 9.01, SwFr 2.4085 and Y241.85. Page 41

STERLING was firm in London, rising 1.65 cents to \$1.268. It also improved to DM 3.715 (DM 3.68) SwFr 3.055 (SwFr 3.025) FFr 11.42 (FFr 11.33) and Y307.0 (Y303.0). The pound's trade-weighted index rose to 78.2 from 75.7. In New York it closed at \$1.2685. Page 41

WALL STREET: The Dow Jones industrial average closed 12.59 up at 1,229.24. Section III
LONDON equities eased yesterday with the FT industrial ordinary index dipping 4.5 to 903.1. Gilts, however, posted their twelfth consecutive advance. Section III

TOKEVO shares advanced strongly amid demand for a wide variety of issues, taking the Nikkei Dow market average up 124.13 to a record 11,374.08. Section III
GOLD rose 50 cents on the London bullion market to \$343.00. It was also higher in Frankfurt at \$343.00 and in Zurich at \$342.75. In New York, the Comex December settlement was \$348.80. Page 40

STERLING'S depreciation against the dollar was partly responsible for a sharp rise last month in UK prices of raw materials and fuels for manufacturing industry. The price index for bought-in fuels and materials rose by 1.8 per cent. Page 8

UK GOVERNMENT has decided not to refer the purchase of Coles Cranes by the U.S. crane-builder, Grove Manufacturing, to the Monopolies and Mergers Commission. Page 23

U.S. TREASURY auction brought yields of 8.82 per cent for three-month and 9.07 per cent for six-month bills. A three-year note sale produced an 11.01 per cent yield, with the coupon set at 11 per cent. U.S. Securities and Exchange Commission has cleared Mr John Fedder, the director of the agency's enforcement programme, of any wrongdoing in connection with his role in a 1977 investigation of the Southland convenience stores group. Page 23

PHILIPPINES: Breakthrough has been achieved in the year-long negotiations between the Government, its creditor banks and the International Monetary Fund over its \$250m foreign debt with the endorsement by IMF managing director Jacques de Larosiere of the Philippines' request for a standby programme and debt rescheduling. Page 4

SIR WILLIAM DUNCAN, chairman and chief executive of Rolls-Royce, the UK state-owned aero-engine maker, died yesterday. Page 12

MCA earnings declined 23 per cent in the third quarter to \$35.37m. The U.S. records and films group blamed the setback on disappointing results of cinema releases. Page 23

FANUC, the world's largest manufacturer of numerically controlled equipment for machine tools, lifted pre-tax profits 94.5 per cent to \$25.8m (\$107m) in the first half ended September. Page 28

SHARP, Japanese electronics manufacturer, lifted parent-company profits by almost 30 per cent to ¥30.85m (\$128m) for the six months to September 30, before tax and extraordinary items. Page 26

Reagan ends his last campaign with a touch of nostalgia

BY REGINALD DALE IN WASHINGTON

PRESIDENT Ronald Reagan, confident of victory in today's U.S. presidential elections, confessed to "mixed" and nostalgic emotions as he wound up the last campaign of his political career in his home state of California yesterday.

Mr Reagan planned a final, uplifting address to the nation later last night, as the polls continued to show him running well ahead of Mr Walter Mondale, his Democratic challenger.

One poll, however, by the respected Mr Louis Harris, flashed a warning light at Mr Reagan, who has

repeatedly cautioned Republican voters against complacency in the last few days. It showed Mr Reagan's lead slipping from 16 to 12 percentage points, suggesting a last-minute surge of support for Mr Mondale.

All other polls still showed Mr Reagan heading for a landslide reelection. Mr Edward Rollins, Mr Reagan's campaign manager, said the President looked likely to win 40, perhaps even 49, of the 50 states - the same as President Richard Nixon in his crushing defeat of Mr George McGovern in 1972.

A CBS-New York Times poll gave

Mr Reagan a 21-point lead, 58 to 37 per cent. The newspaper USA Today put his margin of victory at 25 points, 60 to 35 per cent.

Mr Mondale and his vice-presidential running mate, Ms Geraldine Ferraro, continued to insist that most of the polls were wrong. They maintained that a surge of support from women and black voters - as foreshadowed in the Harris poll - would give them victory against all the odds.

In California Mr Reagan said there was "a certain amount of nostalgia" to the end of his campaign for a second and final presidential

term. "It's sort of like you felt when coming to your last football game of the season and knowing that you weren't going to play football any more."

A nationwide survey by United Press suggested the Republicans might pick up 10 seats in the 435-member House of Representatives - less than the 25 or so the party has been seeking to restore effective control of the House in a coalition with conservative Democrats.

The Democrats, however, were still hoping to gain a seat or two in the House, and said a loss of 10 would be the worst possible prospect.

"We just do not see that much to throw us into a panic," said an official at the party's congressional campaign headquarters.

In the Senate, the Republicans seemed likely to lose at least two seats from their current 55 to 45 majority, but retain overall control. Of the 33 Senate seats at stake 19 are Republican and only 14 Democrat, with most of the Democrats appearing safe.

The Democrats said they had not given up hope of winning up to seven Senate seats, recapturing the majority they have enjoyed for most of the past 50 years, but while

they were fancied to win Tennessee and Iowa, closely contested races in North Carolina and Illinois still looked like dead heats in the latest opinion polls yesterday.

Mr Reagan's main aim was to persuade the maximum number of his supporters to turn out at the polling stations today. His aides said he would stop attacking the Democrats and take "the high road" in his eve-of-election speech last night.

U.S. goes to the polls, Page 6; Reagan moves in for the kill, Page 20

UBS to take 29.9% of London broker and plans full control

BY JOHN MOORE IN LONDON AND JOHN WICKS IN ZURICH

UNION BANK of Switzerland, the largest Swiss bank, is to take a 29.9 per cent stake in Phillips & Drew, a leading London stockbroker, in another big realignment in the British securities market.

Once London Stock Exchange rules permit, and restrictions on outside ownership are relaxed, UBS intends to increase its stake to 100 per cent.

No price has been indicated by either side for the deals but Union Bank representatives said in London that sufficient lines of credit would be made available so Phillips & Drew could "grow and participate in new markets."

Projections by Phillips & Drew and merchant bankers J. Henry Schroder Wagg, advising the stockbroker, suggested that the firm would require capital in excess of £60m as part of the expansion.

"The alliance is the first of any size between a member of the London Stock Exchange and a European bank in the financial services revolution taking place in London.

"The other foreign links with overseas banks have all been completed by London firms with U.S. partners. Brokers Hoare Govett have linked

with Security Pacific, James Capel with Hong Kong and Shanghai Banking Corporation, Springcorn Kemp-Gee and Vickers da Costa with Citicorp, and L. Messel with American Express.

UBS, which has assets totalling nearly \$48.6bn, is the least internationally oriented of the big Swiss banks. However, it has a sizeable international fund management business, and is active as a dealer and issuer in the Euromarkets.

Phillips & Drew is a leading securities house noted for its institutional clients and quality of research. It is particularly strong in portfolio fund management with over £5bn of funds under management.

In a statement yesterday, the Zurich-based bank said the opening up of London as an international financial centre and the severe Swiss tax regime had been one reason it had sought to strengthen its position in the City of London.

Mr Robert Studer, UBS's general manager, said: "We are sorry such a development is negative for Switzerland. We as a bank do not want to play a subordinate role in the most important financial centres."

"Mr Bryce Cottrell, senior partner of Phillips & Drew, said there were three main factors behind the link up with UBS: it provided international synergy, the resources from which to take investment decisions from a position of strength in the changing financial climate, and the working environment best suited to encouraging the best investment work.

"We looked at a number of deals and the one with Union Bank was the best that satisfied those criteria," he said.

The London broker had wanted to remain independent but it considered that the impending changes were so big that it did not want to be left in a position where it could have missed out.

"This gives us the maximum scope for taking advantage of the changing markets," Mr Cottrell said.

Phillips & Drew emphasised that there would be no redundancies among its more than 550 staff. "We will be looking to recruit people," Mr Cottrell said.

Col Studer's surprise attack, Page 21; Lex, Page 22

DLJ agrees to \$430m offer by Equitable Life Assurance

BY TERRY DODSWORTH IN NEW YORK

DONALDSON Lufkin & Jenrette, one of the most consistently profitable Wall Street firms in recent years, has agreed to be acquired by Equitable Life Assurance of the U.S. in a deal worth around \$430m.

Equitable said yesterday that certain leading shareholders in DLJ had already given an option on the purchase of their shares at the agreed takeover price of \$30 a share.

Although a formal agreement has yet to be signed, the insurance group's position has been further strengthened by an additional option to purchase about 18.5 per cent of newly issued DLJ stock. DLJ, the 12th largest Wall Street firm on the basis of total capitalisation of \$338m, made net profits of

\$24m last year and has ridden out the recession better than most of its competitors.

The company is strongly based in institutional trading, and also manages a large portfolio of pension funds.

Its equity capital at the end of 1983 amounted to \$182m, of which around 15.4 per cent was held by insiders.

The agreement marks a further step in the development of broadly-based financial services companies in the U.S. Prudential, the seventh largest Wall Street firm, was acquired three years ago by Prudential Insurance, and earlier this year the Lehman Brothers Kuhn Loeb investment bank sold out to American Express.

Wall Street analysts argue that such consolidation is being fuelled by the need for additional sources of capital in the increasingly trading-oriented stock market environment.

All the firm's clients, he said, would "benefit from our greatly enhanced ability to provide trading, investment banking and corresponding services."

Mr John Carter, President of Equitable, said the addition of DLJ represented a "significant step in our planned growth and expansion as a financial services company."

Equitable, the nation's third largest life insurance company, with assets of \$53m under management, has recently shown signs of wanting to speed up its expansion.

Luxembourg seeks new Arbed aid

BY PAUL CHEESERIGHT IN BRUSSELS

THE LUXEMBOURG Government is seeking rapid approval from the European Commission for a fresh package of subsidies worth LuxFr 8.1bn (\$51.8m) to aid Arbed, the national steel producer and one of the biggest European steel companies.

Commission approval of the cash injection, spread over several years, is necessary under the EEC's control of the steel industry. That control is part of a programme designed to stop the use of subsidies at the end of 1985.

The application for approval was formally lodged last week. Mr Jacques Poes, Deputy Prime Minister, said: "We are confident of a positive answer in a couple of weeks."

Injection of funds by the Government will raise its stake in Arbed from 24.5 per cent to more than 30 per cent.

The funds are designed to reduce Arbed's indebtedness, medium and long-term debt at the end of 1983 was LuxFr 33.4bn. Financial charges have absorbed nearly 10 per cent of turnover.

The provision of new finance is from the Luxembourg Government's point of view, the last stage of a restructuring programme that has seen Arbed cut capacity and reduce its number of jobs from 28,000

to 14,500. Further economies will stabilise the workforce at 12,500.

When the Commission agreed to a capacity reduction programme in 1982, Mr Poes noted, it said that Arbed would have to restructure its debt. The technique chosen is a series of capital increases in which the state participates.

The Government hopes that the other main shareholder, Société Générale de Belgique, Belgium's largest industrial and financial holding company, will also provide Arbed with fresh capital.

Arbed said it needed LuxFr 14bn to bring its debt under control.

Britain paves way for cut in rates

By Philip Stephens in London

THE BANK of England yesterday paved the way for a cut in Britain's base lending rates within the next day or so by lowering the rates it fixes for its official money-market dealings by ½ percentage point.

The move, which came as sterling benefited from a weaker dollar and falling U.S. interest rates to register further strong gains, was expected to prompt clearing banks to cut their base rates by a similar amount from the present level of 10½ per cent.

The clearing banks were last night indicating that they would wait for the publication today of money-supply figures for October before making any final decision on the new level of interest charges.

The figures are widely expected to show a significant slowing of the key indicator, sterling M3, during the month, bringing it back to well within the Government's 6 to 10 per cent annual target range.

There was evidence last night, however, that while the overall growth in sterling M3 was subdued during the month, bank lending continued to increase rapidly.

The clearing banks are likely to have seen that in their own returns to the Bank of England, and that may have persuaded them to await the full money-supply figures before reducing rates.

The banks will not have seen the likely effects to their own lending within the money supply, such as low government borrowing, substantial sales of government debt, and possibly external factors.

The authorities' decision to lead a cut in rates reflects their long-held conviction that the money supply is well under control, and that lower

UK pit union leaders suffer triple setback

BY JOHN LLOYD AND DAVID BRINDLE IN LONDON

THE LEADERSHIP of Britain's National Union of Mineworkers (NUM) yesterday suffered three setbacks as it convened a special delegate conference to try to strengthen support for its eighth month-old strike.

Mr Neil Kinnock, leader of the opposition Labour Party, dealt a thinly disguised snub to the union when he said he would not be able to attend or speak at any of the NUM's five planned mass rallies, which will begin with one in Edinburgh, Scotland, tonight.

Secondly, High Court-appointed sequestrators traced £2.8m of NUM funds lodged with the Bank of Ireland Finance in Dublin. The Irish High Court froze the money, which had apparently been transferred to Dublin via the Isle of Man in an attempt to avert seizure of the union's assets.

The seizure had been ordered after the NUM failed to pay a £200,000 fine imposed for contempt of court for breaking injunctions not to describe the strike as official.

The third setback for the NUM came with a large increase yesterday in the number of striking miners returning to work. The National Coal Board (NCB) claimed that the trickle back to work had become a "surge" with 802 men - a record figure - reporting for duty for the first time since the strike began.

Among other developments, the High Court ordered Derbyshire NUM to stop using its funds to finance the strike. In a separate case, the Transport and General Workers' Union was instructed by the High Court to stop the "blacking" by its members of lorries belonging to two haulage companies that have taken action against the South Wales NUM.

Mr Ian MacGregor, the NCB chairman, and Mr James Cowan, his deputy, yesterday met leaders of the British Association of Colliery Management, who complained about their style and isolation from their executives.

Mr David Paterson, the Association's president, said after the meeting that there had been widespread complaints from his members. He said Mr MacGregor had listened to the complaints and agreed to meet them again soon.

The decision by Mr Kinnock not to attend any of the NUM rallies is seen as a clear sign that he wishes to put certain distance between himself and Mr Arthur Scargill, the NUM president, announced last Thursday that Mr Kinnock and Mr Norman Willis, the general secretary of the Trades Union Congress (TUC) had been invited to speak at the rallies.

Mr Kinnock's aides believe his support for the NUM and the miners' cause is well known, but he and they are angry at the attempt to "bounce" him into appearing by announcing his presence before he received an invitation. Mr Willis, however, has said he will attend. Mr Kinnock's formal reason for not attending is because of a "full diary."

The Labour Party is to hold its own rally in support of the miners, probably on November 30, which the Labour leader will address.

The NUM's money transferred to the Bank of Ireland Finance from the Isle of Man Branch had originally totalled £8,583,000. The NUM had deposited over £3m in the Isle of Man bank at an earlier date.

The freezing of the £2.8m was granted by a Dublin High Court judge at a special sitting on Sunday night.

Employers warned, Page 10; Return to work, Page 12


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EUROPEAN NEWS

Chirac pledges to return banks to private owners

BY DAVID HOUSEGO IN PARIS

A CUT in France's currently high level of personal and corporate taxation and the denationalisation of state-owned banks and industry would be among the economic priorities of a right-wing government, France's largest opposition party declared yesterday.

The launching by M Jacques Chirac, the Mayor of Paris and the leader of the neo-Gaullist RPR, of the broad outlines of his party's political programme yesterday effectively marked the beginning of the opposition's campaign for the 1988 parliamentary elections, even though these are still some 15 months away.

Further evidence of the build-up of electoral pressures is the publication tomorrow of the personal manifesto of M Raymond Barre, the former Prime Minister and expected presidential candidate, in the shape of a book.

The two events come at a time of increasing confidence on the Right that it will emerge victorious in the 1988 elections. This trend was further confirmed yesterday with the publication of an opinion poll showing that 38 per cent of Frenchmen would vote for Mr Ronald Reagan

against only 25 per cent for Mr Walter Mondale.

The RPR's programme, published under the title *Free and Responsible*, is strongly inspired by Mr Reagan's policies in the U.S. and by Mrs Margaret Thatcher's in Britain. The keynote of its approach is summed up in the commitment to "diminishing the power of the state, and to liberalise and decentralise France's productive capabilities."

It thus marks a large shift away from the Gaullist traditions of centralised planning. In 1978, M Chirac himself denounced "vague brands of liberalism" in favour of more intervention.

None the less, M Chirac yesterday was careful to defend himself against accusations of seeking to dismantle the welfare state. He said his party wanted "to overcome the crisis in the welfare state and not to end the state's necessary and legitimate role of protection."

In a radio interview last weekend, he also sought to soothe fears in France that his party would impose wholesale Reaganite policies. But for the first time, he hinted that the Gaullists might be prepared for some political link-up with the extremist right-wing National Front which has been capturing

votes from the RPR. He also moved closer to the Front's policies in advocating a revision of existing regulations on abortion and in speaking of the threat to Europe from the demographic explosion in North Africa.

M Chirac told a press conference yesterday that cutting taxes should be given priority over cutting the budget deficit. This puts him at odds with M Barre, who believes that the budget deficit must be cut before there can be any reduction in taxation.

On nationalisation, the party says that ownership of the nationalised banks and industries apart from the main public utilities, should rapidly be transferred to a holding company prior to denationalisation. It puts forward several proposals for easing industry's tax burden and enabling companies to lay off labour more easily.

The party's programme will be discussed in detail at a party congress later this month before being adopted and then translated into a more detailed manifesto to be published nearer the election.

The congress is seen as important in gearing up the party for the election and in bringing a younger generation into the leadership.

Slowdown in growth forecast for Italy

By James Buxton in Rome

ITALY is likely to have slightly slower growth in 1985 than it is enjoying this year, the Bank of Italy, the country's central bank said yesterday.

It also spelt out in detail the difficult conditions that must be fulfilled if the Government's target of a 7 per cent average inflation rate next year is to be met.

The bank, in its twice-yearly bulletin, said the Italian economy should grow by 2.8 per cent this year, a slightly higher rate than that of any other European country. Inflation is likely to average 10.9 per cent, a sharp drop from the 1983 figure of 14.7 per cent, but still well above the rate of other countries.

Next year a 2.5 per cent growth rate is possible, the bank says, but only if the Government fulfils its objectives. The economy will have to cope with the slower growth forecast for its main export markets, which are expected to grow by 4.4 per cent instead of this year's 6 per cent. If Italy is to maintain its market share, inflation must come down.

The bank says that the Government's target of a state sector borrowing requirement of L94,500bn (\$31.2bn) can only be met if it acts to cut current spending, especially on salaries and pensions, and if it keeps up the pressure of taxation.

Measures to raise an extra L5,000bn in revenue are needed but have yet to be decided on.

The bank says that to achieve the 7 per cent inflation rate target wages must not rise by more than 10 per cent - but warns that wage contract negotiations are likely to take them beyond that level. "Severe measures will be necessary to bring pay rises down to levels compatible with macro-economic goals," the bulletin says.

If all these conditions are fulfilled exports would rise by 4.5 per cent next year and there would be a balance of payments current account deficit of about L2,500bn, compared with this year's expected deficit of L2,000bn.

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SPANISH TRAWLER-OWNERS BYPASS NEW UK CREWING RULES

Flying fishermen beat the ban

BY DAVID WHITE IN MADRID

THE TRAWLER skipper, ruddy and English and sporting a bold check jacket, counted his crew list in the office of a fishing company in the busy port of Vigo: eight Britons, three Spaniards. A moment later he was on the telephone.

"Have you got a young lad who wants to come to Spain?" he asked. There was a short silence. Then: "Well, send him."

One more phone call fixed an air ticket from Heathrow to Santiago de Compostela. That was how the son of Norman, the mate from Grimstey, came to make his first voyage on the Red Ensign Armada.

The new arrival was to make up numbers to stay within the law when fishing in British waters. Since the UK and Irish governments cracked down last year on the use of their flags by Spanish-crewed vessels, trawler-owners have launched themselves into the travel business.

The cost of flying deck hands to and fro have been compounded by other problems - friction between English and Spanish seamen and quarrels over working conditions.

"They found that many of the English fishermen could not take it, that they were not used to working

so hard or spending so much time at sea," said Sr Reinaldo Iglesias, assistant manager of the fisheries co-operative in Vigo.

Most people thought that the tough new crewing regulations would put an end to the activities of Spanish-based trawlers using British and Irish flags. But in Vigo, which has become Spain's, and possibly Europe's, largest fishing port, and in nearby Marin, there are still 10 such vessels operating, and more at Corunna, a west-fish port which has traditionally depended on fishing grounds off south-west Ireland and Cornwall.

In total, about 60 British and Irish flag-vessels are estimated by British and Spanish experts to be working out of northern Spanish ports.

Since the late 1970s Spanish trawler-owners have been allowed by Spanish law to establish joint ventures with other countries in order to gain access to fishing waters. Most of these are now British and Irish joint companies, set up to counter the impact of restrictive EEC policies on granting licences to Spanish boats.

The trawlers land their fish - mostly hake, megrim and angler for

the Spanish market - either in the British Isles or in Spain. In March last year, in response to uproar among British fishermen over this new form of competition, the UK issued a statutory instrument, the "British Fishing Boats Order 1983," under which fishing vessels would no longer qualify as British unless 75 per cent or more of the crew were British or other EEC citizens.

A crew member stands to receive 1.5 per cent of the value of the catch. On an ordinary trip, according to Sr Fernandez, this would mean a wage of about Pta 75,000 (\$440) for 10 days' work, paid in convertible pesetas.

The British contingent appears to be settling down, and several captains working out of Corunna have brought their families over. After Spain joins the EEC, the formal requirement for imported crews will disappear as Britain cannot discriminate against other Community nationals.

But after all the difficulties some companies have become so used to their new hybrid way of operating that they believe British crews will continue to find employment here. "It is costly, but it works," said Sr Fernandez.

Colonel charged in Polish kidnap

A SENIOR Polish Interior Ministry official, Col Adam Pietruszka, is being charged with aiding the kidnapers of murdered Warsaw priest Fr Jerzy Popieluszko, a ministry spokesman said today, Reuters reports from Warsaw.

He is the highest-ranking police officer detained during the investigation of the killing of Fr Popieluszko, who was buried on Saturday after a funeral attended by 250,000 people. The ministry said the public prosecutor had been asked to charge Col Pietruszka, the deputy head of a department, on suspicion that he aided and abetted those who carried out the abduction and killing.

Insufficient evidence had been found against a police lieutenant, Colonel, identified only as Leszek W, who was arrested with Col Pietruszka and who has since been released, the statement added.

Three junior security police officers have been accused of abducting Fr Popieluszko last month and are expected to be charged with his murder.

The authorities have not yet released details of the official autopsy performed on the priest's body after it had been found in a reservoir last week.

Christopher Bobinski, aide from Warsaw: Mr Malcolm Rifkind, Minister of State at the British Foreign Office, in Poland for a five-day official visit, yesterday laid a wreath at the grave of Fr Popieluszko. Speaking to reporters after the brief ceremony yesterday afternoon, Mr Rifkind said that he had laid the wreath "on behalf of the British Government and people."

"We hope that the values for which Fr Popieluszko stood will continue to flourish in accordance with the wishes of the Polish people," he said. Mr Rifkind also said that he welcomed some developments this year in Poland such as the amnesty for political prisoners in July but that he hoped that they were "a prelude to more substantial reforms."

Mr Rifkind's visit ends three years without contact between the governments at a senior level.

On Sunday, the British minister met with four senior former Solidarity figures, including Mr Janusz Onyszkiewicz, the union spokesman and Mr Bronislaw Gremek, an adviser to Mr Lech Walesa.

Warning on Belgian economy

BY PAUL CHEESERIGHT IN BRUSSELS

ECONOMIC GROWTH in Belgium will slow down next year to about 1 per cent of Gross National Product, according to estimates from Société Générale de Banque (SGB) and Kredietbank, two of the country's biggest banks.

The slowdown from an estimated 1.4 per cent at constant prices will be caused not only by the reduced growth in the international economy, which will translate into reduced expansion of exports, but by the continued sluggishness of domestic demand.

The volume of export growth is likely to be 5.8 per cent in 1985, against 6.4 per cent this year, SGB calculated. "These figures are influenced by the movement of relative

prices which in 1984 will be favourable to Belgium, but will no longer be so in 1985," it said.

For Kredietbank, "the scenario of a strong dollar and moderate growth in Europe is not very attractive for Belgium, its only positive aspect being that the situation within the European Monetary System will remain relatively calm."

But, it concluded, the expected GNP growth - and it is more generous in its estimate than SGB - "is not such as to facilitate the present, or any future, Government's task to reform public finances, but it is a responsibility that can no longer be escaped."

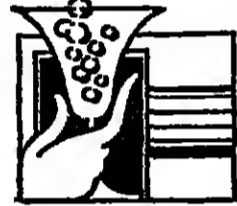
"In 1985 the problem of public finances will be a heavy handicap for

the Belgian economy," SGB said.

The general tenor of the bank's remarks is close to that of the International Monetary Fund which, in a report published last week, agreed with the Government's target of bringing the deficit down to an equivalent of 7 per cent of GNP by 1987. But it suggested a quicker rate of reduction.

Despite the rigidity in the economy which the high profile of the Government is said to engender, the rate of industrial investment has picked up quite sharply this year, rising 5.5 per cent. It will continue at a high level because of projects in the pipeline, Kredietbank said. SGB expects a rise of 3.2 per cent next year.

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EUROPEAN NEWS

Greek Cypriots very pessimistic about peace talks outcome

By ANDRIANA IERODIAKONOY IN ATHENS

PRESIDENT Spyros Kyprianou of Cyprus sought the advice of Greek Cypriots yesterday on how to tackle the deadlock facing the latest UN's peace initiative for the divided island, in separate meetings with President Constantine Karamanlis and Prime Minister Andreas Papandreu.

An air of gloom hung over the proceedings, as the Greek Cypriots scarcely bothered to disguise their frustration and pessimism after two fruitless rounds of hargaining with the Turkish Cypriot leader, Mr Raouf Denktash, in New York, in September and October.

Some of this frustration was vented over the weekend by senior Cypriot government officials who delivered a ringing attack on Washington, which they accused of not having exercised its influence with Ankara to wrest concessions from Mr Denktash.

The officials accused the U.S. of having financed the construction of a \$550m airport in the Turkish-occupied northern sector of Cyprus for use by a U.S. rapid deployment force operating in the Middle East.

Cypriot government officials made clear in Athens yesterday that, from their point of view, a breakthrough can come only if the Turkish Cypriots moderate their demands for territory and constitutional power in a future federal Cyprus state. They will also have to agree without qualification to the full withdrawal of the Turkish troops which have occupied about 36 per cent of the island since 1974.

Mr George Iacovou, the Cypriot Foreign Minister, dismissed as a "public relations exercise" statements of optimism which have come repeatedly by Mr Denktash in the past few weeks.

In rounds one and two, Mr Denktash is understood to have proposed the return of about 2.4 per cent of territory to the Greek Cypriots, allowing the return of about 80,000 refugees out of a total of 170,000. Mr Denktash has also reportedly proposed that there should be an alternating Greek Cypriot and Turkish Cypriot President, and demanded separate ethnic majorities in Parliament on issues such as security.

He apparently wants the Turkish troop withdrawal to start once a federal state has been established, but without specifying a deadline for a complete pull-out.

Mr Perez de Cuellar is believed to have submitted an agenda which he hopes will bring about a compromise between the two sides in the third round of talks.

Hungary cracks down on work-shy

By Leslie Colitz in Berlin

HUNGARY HAS issued tough regulations to turn work-shy citizens into productive members of society. The measures, which take effect next January, have been decreed at a time when living standards are falling for most Hungarians and there is widespread criticism of those who earn a living from illegal pursuits.

The roots of the crackdown are domestic, but the ripples go further. Foreign groups as disparate as the Italian Communist Party and U.S. Congressmen have written letters of protest about the trial and some Western governments have expressed informal concern.

This in turn has fuelled official Yugoslav toughness about outside interference, already evident in other ways such as the recent expulsion of two Western journalists and the Government's reluctance to submit itself to further International Monetary Fund supervision to satisfy foreign creditors.

Belgrade's curious ambivalence was aptly illustrated yesterday. After no fewer than 25 journalists (10 Yugoslav and 15 foreign), plus Mr Milovan Djilas, the country's best known dissident, were allowed into court, defence lawyers requested that any Communist Party members or former

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David Buchan and Aleksandar Lebl assess the background to a dissident trial Shadows lengthen over Yugoslav liberals

SIX SERBIAN dissidents yesterday went on trial here on charges of conspiring to overthrow the Yugoslav state. The trial is part of the heaviest crackdown for several years in a country which, despite having the best general record on human rights in Eastern Europe, is now finding its political system sorely tested by economic hardship.

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police he struck from the five-man panel of judges on grounds of possible conflict of interest. The court's president agreed to rule on this and adjourned the trial until today. Meantime, the defendants went home free, as they have been for most of the long pre-trial proceedings.

The ruck-up to this week's trial started on April 20 when 27 people were arrested here for attending a lecture on the sensitive nationalities issue by Mr Djilas. All were freed after questioning. But four of them, plus two others not at the Djilas lecture, were then charged under Article 114 of the criminal code, of "association aimed at hostile activity."

This conspiracy charge, carrying on conviction a minimum five-year sentence, is the heavy gun in the authorities' political armoury; it has mainly been used on those alleged to be urging separatism in Croatia in the early 1970s and in Albanian-speaking Kosovo since 1981.

But only two months ago Mr Vojislav Seselj, a Sarajevo lecturer, got an eight year sentence under Article 114, for suggesting (in an unpublished paper) that the country's eight republics and provinces be amalgamated into four. His proposal suggested that Bosnia disappear into its

Serb and Croatian ethnic component did not go down well with his fellow Bosnians.

Inspiration for the crackdown comes not only from Bosnia, but also from Slovenia which, despite its pro-Western cultural affinity to neighbouring Austria and Italy, recently prosecuted a journalist for an article judged to be anti-Brezhnevite, and from Croatia where the local Communist Party this year compiled an index of "anti-socialist" authors. The fact that 170 of the 200 authors on the list live in Belgrade reinforced an impression that a co-ordinated squeeze is being put on this relatively liberal city, which serves as capital to Serbia and to the federation. The "university groups" of 20-30 reform-minded intellectuals had met each week here for the past seven years until Mr Djilas addressed them for the first time last April.

Much as they seek to quarantine Mr Djilas, however, the authorities acted for other reasons — mainly to distract attention from the tensions which prolonged austerity and persistent inflation are causing in Yugoslav society.

The poor and those without jobs or on fixed incomes are increasingly venting their anger on their Communist

Party delegates, who in turn are looking for scapegoats, be they the IMF or dissidents. The relatively weak federal authorities, whether the Communist Party or the government, are for a communist country—peculiarly ill-placed to control the sharp debate that has broken out inside the Yugoslav establishment.

They can, however, move against dissidents as a reminder to all inside the League of Communists that this political debate has limits. Mr Mitko Calovski, the Information Minister, denies such motives. But he emphasises that "there will be no change of the political system, only within the political system."

The issue of political tolerance divides many, even at the heart of the establishment. Some senior Slovene leaders have said the Belgrade trial is a major blunder, costing Yugoslavia its traditional backing from the West European Left.

Dr Gojko Nikolic, a former general and Spanish Civil War veteran, last month resigned his party membership of 50 years on the matter.

Popovic, a leading human rights lawyer in Belgrade. But he explains the apparent paradox that Yugoslavia is at the same time more, not less, liberal by saying that "people here still hope that things can be changed and therefore want to express themselves."

The government has never divulged how many political prisoners it holds. According to the only recent (1977) figure given, some 26,000 Yugoslavs cannot get a passport to travel or leave. The vast majority are those who have not paid taxes or alimony or who have a criminal record. Most notable among those not permitted for political reasons to travel abroad is Mr Djilas himself. But Yugoslavs are still in an incomparably better position to vote with their feet than other East Europeans.

Most—nearly 90 per cent—of political charges brought are so-called verbal crimes, sometimes just misdemeanours like singing Enver Hoxha's praises in the street construed as pro-Albanian agitation. But with the recent serious trouble in Kosovo and now the heavy hand laid on liberals, sentences are lengthening. The average was 7.5 years last year. This year, too, the shadows are lengthening over Yugoslavia's human rights record.

Sinowitz in East Berlin for two days of talks

EAST BERLIN—Herr Fred Sinowitz, the Austrian Chancellor, arrived here yesterday for talks expected to focus on ways of breaking the deadlock in East-West relations.

East German officials said the two-day visit and recent talks in Helsinki by President Erich Honecker were intended to show that East Berlin wants to maintain East-West contacts. These have continued despite the postponement of Herr Honecker's controversial planned trip to West Germany in September, put off apparently under strong Soviet pressure.

Austrian officials said Herr Sinowitz would assess East German feeling towards Bonn and pass on impressions to Chancellor Helmut Kohl of

West Germany, who visits Vienna on November 21. East Germany and Austria have both stressed that Europe's smaller states have a role to play in easing East-West tensions.

Vienna has also offered to help defuse tensions between Bonn and East Berlin over the 130 or so East Germans occupying West Germany's embassy in Prague in a bid to emigrate to the West. Herr Sinowitz may repeat Austria's offer to give the group provisional political asylum.

"Austria and East Germany, which have had good relations since the early 1970s, were also scheduled to extend an existing economic agreement after talks on expanding overall trade. This has doubled since 1979. Reuter

Dr Laszlo Medve, an under-secretary in the Ministry of Health, said widespread tipping in the government health service has turned into an increasingly "allergic area" of social life.

Doctors normally expect a gratuity from their patients and this practice has led to such serious problems, Dr Medve said, that effective counter-measures "have become" indispensable.

Patients who register for sickness benefits, as well as for disability certificates routinely tip the examining doctors. When medical opinion does not coincide with the patient's view, he said, the latter invariably thinks the reason was the "non-payment of a gratuity or having paid too little."

Smaller current account deficit forecast for Portugal

BY DAVID DODWELL IN MACAO

PORTUGAL'S CURRENT account deficit is unlikely to exceed \$830m this year, barely two-thirds of the \$1.25bn limit agreed with the International Monetary Fund, Dr Victor Constancao, vice-governor of the central bank, said yesterday.

Speaking in Macao, the tiny Portuguese-administered territory on the southern coast of

China, he said the improvement was due largely to a slump in imports as domestic industry has contracted in response to an austerity package agreed early in 1983 with the IMF. Portugal's gross domestic product is expected to fall by 2 per cent this year.

Dr Constancao was addressing an annual seminar for international bankers organised by Banco Portugues do Atlantico, one of the country's

leading banks.

While the private sector is showing signs of responding to IMF medicine, Dr Constancao indicated that government spending — as measured by the administrative public sector deficit — has proven less responsive. He forecast an Esc 205ho (\$1.04bn) deficit this year — about 9 per cent of GDP, compared with a target of 6.5 per cent agreed with the IMF.

Export performance is expected to be better than forecast, with sales to all European countries rising as devaluation has made local products more competitive. Foreign exchange earnings have also been aided by strong growth in tourist receipts — up 15 per cent in the first half of 1984, and expected to be at least 10 per cent up for the year as a whole at \$95m.

He predicted a worsening of the trade deficit, with imports rising strongly as recovery prompts local industry to restock. As a result, the current account deficit is expected to widen again to \$1bn. While total external debt is expected to continue rising — by 7.7 per cent this year to about \$15.6bn, and by a further 6.4 per cent in 1985 to \$16.6bn, loan repayments are expected to peak this year at \$1.5bn, falling back in 1985 to \$1.65bn.



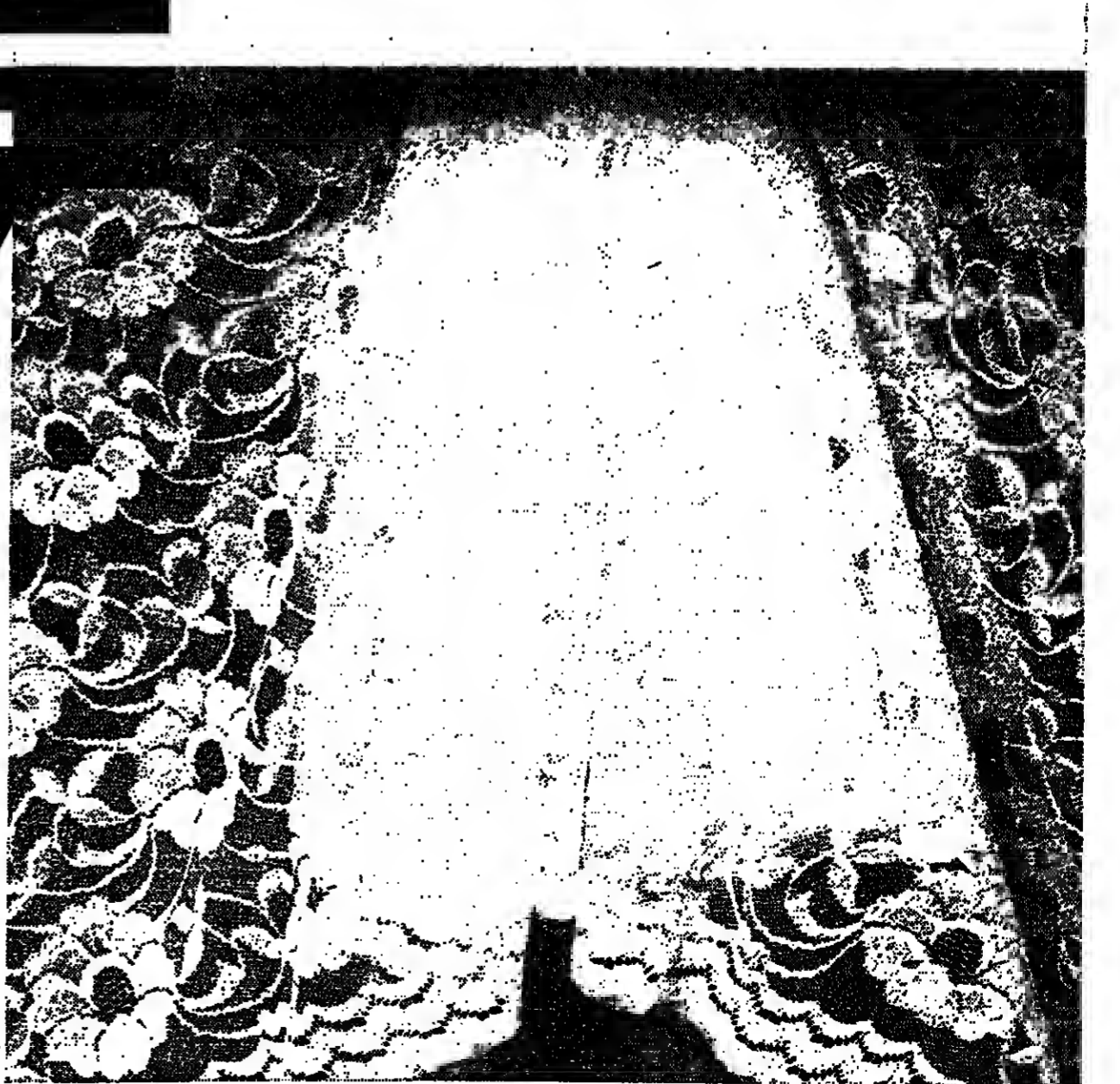
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OVERSEAS NEWS

Sikhs venture out as Indian crisis eases

BY JOHN ELLIOTT IN NEW DELHI

INDIA'S CITIES moved steadily yesterday back towards normal daily life despite considerable communal tension between Hindus and Sikhs and a heavy army presence in the worst trouble spots of New Delhi and other areas.

There were a few small isolated outbreaks of violence. But for the third day in succession there were no widespread riots anywhere in the country and the estimated death toll remains at approaching 1,000.

The effectiveness of the army and other security personnel in the last three days is a significant initial success for Mr Rajiv Gandhi, the new Prime Minister.

Sikhs, who have been under

THE INDIAN Government has moved to support local stock markets with a package of measures including a directive to public financial institutions to buy shares. Reuters reports from New Delhi. Brokers in New Delhi and Bombay say the Finance Ministry package also includes a condition that forward traders must deposit at least

30 per cent of the total value of stocks before they are offered for sale. Stock markets reopened yesterday after a four day closure following the assassination of Mrs Indira Gandhi. Traders said they feared heavy nervous selling of shares due to the political uncertainty and the Hindu-Sikh riots that followed Mrs Gandhi's murder.

damaged and burned in the riots and repairs started to some city centre shops.

The next potential cause of tension is the birthday on Thursday of Guru Nanak founder of Sikhism 500 years ago, which could spark violence.

In New Delhi there are believed to be up to 30,000 Sikh refugees in relief camps, Sikh temples, schools and other public buildings, all guarded by armed security forces. The value of looted property recovered in the city by police is estimated to have risen to \$400,000.

In the Sikh's home state of the Punjab, where there is heavy press censorship, the situation was "tense though generally peaceful," according to Lt General G. S. Rawat, Vice

Chief of Army Staff. He said troops were in a full state of readiness both in the Punjab and the neighbouring more northern states of Jammu and Kashmir, both of which border Pakistan.

They were ready to deal with trouble in India and to check on "inflation of extremist elements" across the border.

Trains moving into Punjab and the next state of Haryana to the south are being heavily guarded following widespread attacks on Sikh train travellers last week.

Over 300 trucks belonging to Sikhs were last night leaving Delhi for the northern states under heavy reserve police guard who are also escorting Sikhs between Delhi's airport and railway stations.

S. African Blacks stay away from work

By Jim Jones in Johannesburg

COMBINED ACTION in the past few weeks by South Africa's army and police force has failed to end unrest in the country's black townships.

Yesterday, large parts of South Africa's industrial heartland were brought to a halt as thousands of Black workers headed calls from unions and civic groups to stay away from work for two days.

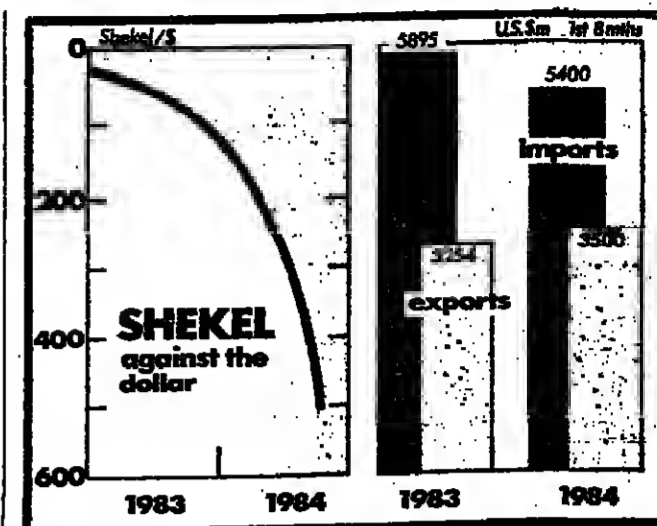
The stayaway, in protest against increases in rents and utility charges, has been met with firm police action.

This time, however, the authorities refrained from calling military assistance in the wake of wide protests at the earlier use of army units to search black townships for so-called revolutionaries.

Worst affected by yesterday's stayaway were the industrial towns of the East Rand, to the east of Johannesburg, and the Vaal Triangle, to the south of the city.

Employers in the two areas reported that between 80 and 90 per cent of workers stayed away yesterday.

The stayaway campaign is a joint effort by various black trade unions, which for the first time, have co-operated with civic groups and the United Democratic Front.



Wage freeze that gives the Israelis a sense of reality

BY DAVID LENNON IN TEL AVIV

THE WAGE and price freeze agreed over the weekend in Israel has won the government a three month breathing space to try to halt the deterioration of the economy. If it fails to capitalise on this opportunity, the crisis may turn into a sudden economic collapse requiring severe remedial measures which could bring down the national unity coalition.

Last month has been described by many as "black October". The yet to be announced inflation figure is expected to top 25 per cent for the month. The price of subsidised basic commodities rose by up to 60 per cent. Foreign currency reserves fell by \$94m (\$78m) to bring them below the \$2bn mark. Tax collection, which has been breaking down under the country's hyperinflation, declined by 25 per cent compared with October 1983.

The package deal between the government, unions and employers freezing taxes, wages and prices for three months which was signed yesterday comes only days after the U.S. transferred its \$1.21bn economic aid allocation for fiscal 1985 to Israel.

Under the terms of the agreement, the prices of all goods and services are frozen, wage earners are forgoing part of the monthly automatic compensation for inflation and the government has frozen all taxes, will bring down interest rates and prevent the payment of dividends to Israelis during the period of the freeze.

The unions agreed to a 10-20 per cent erosion of real wages over the three months period because, in the words of Mr Israel Kessar, secretary general of the Histadrut trade union federation: "Without this deal unemployment could have been even more serious than at present."

The employers acquiesced to a price freeze, with all the problems involved, because "with inflation soaring past the 1,000 per cent mark we had simply lost control of our business. We have no idea whether we are making or losing money," explained Mr Eli Hurwitz, President of the Manufacturers' Association.

These developments ease two of the country's most pressing problems, rampant inflation and dwindling foreign currency reserves and provide a period of tranquility during which the government can take steps to deal with the crisis on a more permanent basis, especially the current account deficit in the balance of payments which topped \$5bn last year.

The package deal is designed to control and reduce inflation which on a month to month basis is running at 1,000 per cent. The U.S. aid will top up the country's seriously depleted foreign currency reserves which last month dropped below \$2bn.

But these measures do not change the basic situation, Mr Yitzhak Moda'i, the Finance Minister, says that they must be accompanied by additional steps, "primarily deep cuts in government spending." He knows that otherwise there will be a price explosion in three months and much of the U.S. aid will have been frittered away on current expenditure.

The key lies with the budget. In September the new government approved a \$1bn cut in the 1984-85 \$20bn budget. The

Lebanese Prime Minister Rashid Karami says his "national unity" Cabinet will meet by Wednesday to work out a joint approach to postponed talks on an Israeli withdrawal from south Lebanon.

Mr Karami said he had asked for the postponement of the talks, which should have started yesterday, because the absence of some ministers had made it impossible to hold a Cabinet meeting to prepare for them.

Lebanon and Israel have agreed to reschedule their talks for Thursday, Lebanon's state and privately owned radio stations reported yesterday.

Agencies

Finance Minister is talking now about a further budget cut of at least \$500m.

However, most estimates show that by the end of this fiscal year on March 31, 1985, the cut will only have been \$300m. This has led most economists here to view with scepticism the ability of the government to make further cuts.

The \$1bn spending cut was not achieved because, as Mr Moshe Nissim, the Justice Minister, complained at Sunday's cabinet meeting, the freeze on prices and taxes makes it impossible to implement the original cuts in expenditure because much of it was to be achieved through slashing subsidies and imposing new levies.

Israel's problem is that, over half of the budget is devoted to servicing and repayment of the gross foreign debt of \$23bn, incurred over the years to pay for the country's mighty military machine.

This means that the cuts must be made from the remaining half of the state budget. But about 50 per cent of this is allocated for defence expenditure, an item which is hard to cut in this security conscious country.

In effect, the main reduction in the budget has to come from the relatively small sum which remains for other ministries' expenditure.

One of the main tasks facing the government is a restoration of public credibility in its ability to manage the economy. The lack of credibility was responsible for the run on bank shares last year which nearly toppled the banking system and for the continued hoarding of dollar bills by the Israeli public, which is estimated to have about \$3bn "under the floorboards."

The signing of the package deal is a major achievement for the new government, in particular for Mr Shimon Peres, the Prime Minister, who personally intervened to ensure agreement was reached with the unions and employers.

Though wages will be eroded by 10-20 per cent and inflation is expected to fall to under 10 per cent a month, this is only the beginning of a long road for the government.

The time bought is short, only 90 days, but with inflation running out of control it is a valuable period during which the government must take other steps to ensure that the gains of the package deal are not washed away in a flood of price rises at the end of the freeze.

Editorial comment, Page 20

Botha stresses 'normality' of relations with Tel Aviv

BY OUR TEL AVIV CORRESPONDENT

SOUTH AFRICA'S dealings with Israel are "realistic" and should not be "singled out as indicative of anything but normal relations," Mr P. W. Botha, Pretoria's Foreign Minister, said yesterday.

After an official meeting with Mr Yitzhak Shamir, his Israeli counterpart, Mr Botha said: "Each government recognises that we must be careful not to create the impression that we are that close together, because it's not really true."

"What happens between Israel and South Africa is happening between South Africa and other African states. We trade, we have normal relations. Israel is particularly sensitive about its flourishing ties with

South Africa, which are believed to be especially strong in the military/weapon field. When pressed about these ties during his visit to the U.S. last month, Mr Shimon Peres, the Prime Minister, said he abhorred Apartheid.

Though described as a private trip, this first visit by a senior South African Minister since the late Premier John Vorster came to Israel in 1976 has all the trappings of a state visit.

After his meeting with Mr Shamir, Mr Botha was due to have unannounced talks with Mr Yitzhak Rabin, the Defence Minister, in Tel Aviv. Neither side was prepared to confirm the meeting or say what they discussed.

De Larosiere approves Philippines debt resheduling

BY EMILIA TAGAZA IN MANILA AND MARGARET HUGHES IN LONDON

A MAJOR breakthrough was achieved over the weekend in the year-long negotiations between the Philippines Government, its creditor banks and the International Monetary Fund (IMF) over its \$2.5bn (\$2.1bn) foreign debt. M Jacques de Larosiere, managing director of the IMF, endorsed the Philippines request for a standby programme and debt rescheduling package.

This means that the package can be submitted to the full IMF board which is expected to meet later this month to

approve the package. This would give the go-ahead for the commercial banks rescheduling deal agreed in principle last month.

The Philippines Government has requested a \$615m standby credit from the IMF and is seeking to reschedule its commercial bank debt of \$5.8bn maturing between October 1983 (when the Central Bank imposed a moratorium on repayments) and the end of 1986. The bank package covers \$3bn renewed trade credits and also includes a new commercial

bank loan of \$925m, somewhat less than the \$1.65bn which the Manila Government had originally requested.

The rescheduled public sector debt will be restructured over 10 years with a five years grace period. The interest margin will be 1 1/2 per cent over Eurodollar rates or 1 1/2 per cent over the adjusted U.S. CD rate.

The new bank loan will have a maturity of nine years, also with a five years' grace period. The margin will be 1 1/2 per cent over Eurodollar rates or 1 1/2 per cent over the higher as prime

rate or the adjusted CD rate.

Philippines Armed Forces Chief Gen Fabian Ver and 25 other people have been indicted on charges of "double murder" before the government ombudsman for the slaying of Benigno Aquino and his alleged assassin, prosecutors announced yesterday, AP reports from Manila.

Justice Manuel Herrera, head of a three-man prosecution panel, said the 26 have been ordered to answer the charges in 10 days.

The panel then will decide after reviewing evidence

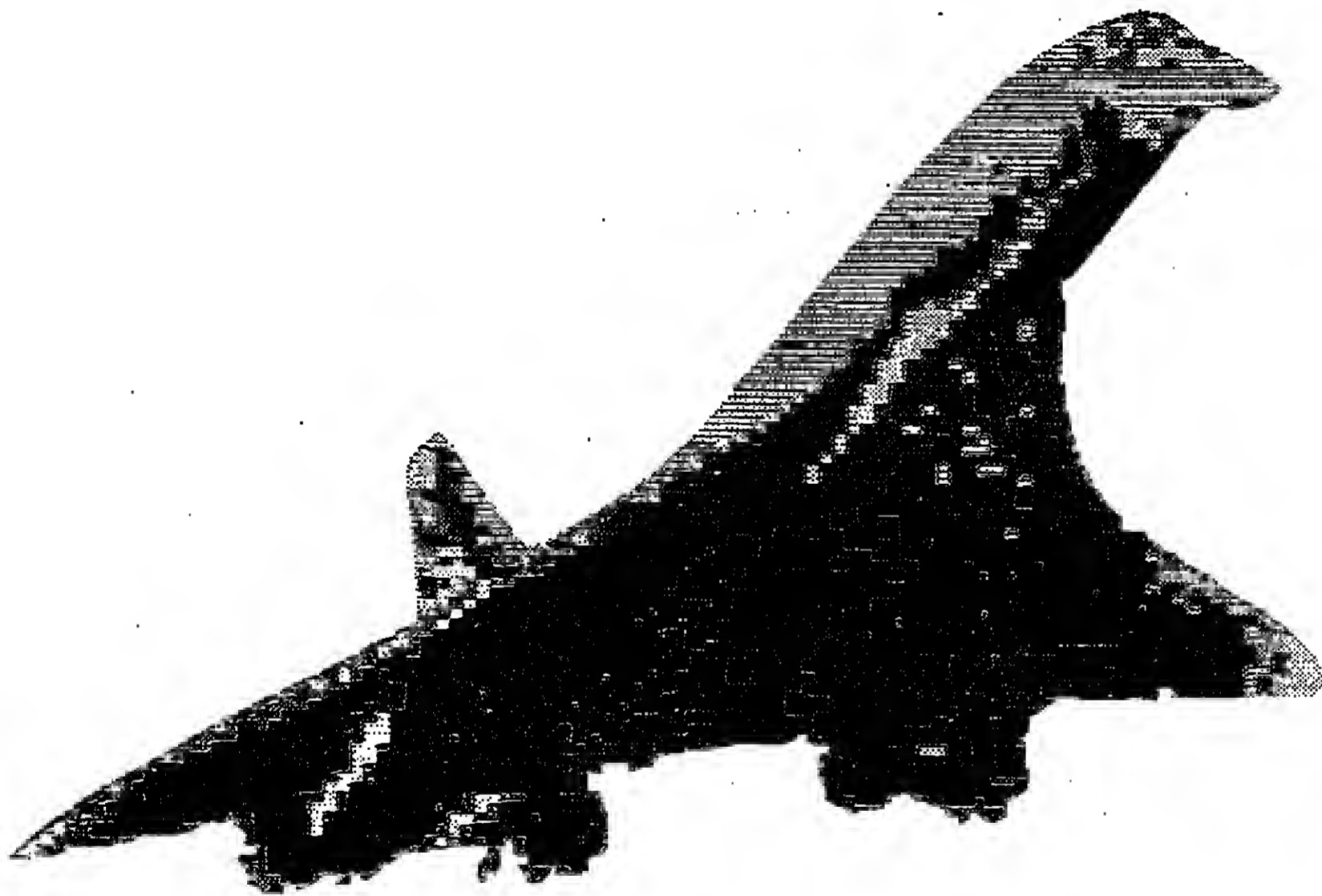
whether there is "probable cause" to refer the case for trial.

At the National Assembly, 57 Opposition legislators filed a resolution demanding the resignation of President Ferdinand E. Marcos for being "morally, legally and politically responsible" for the Aquino assassination.

The resolution also asked for the immediate dismissal from military service of Gen Ver.

Political observers, however, do not expect the resolution to prosper.

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WORLD TRADE NEWS

U.S. wine law change provokes EEC protest

By Ivo Dawnya in Brussels and Christian Tyler in London

EEC TRADE officials have formally objected under the General Agreement on Tariffs and Trade (GATT) to U.S. legislation allowing grape growers the right to call for punitive action against European wine imports.

The move comes as Californian producers are preparing their case to the U.S. Administration for new tariffs against Community wine in retaliation against EEC subsidies paid to grape growers.

Provisions in the U.S. Trade Act, passed at the end of the last session of Congress this autumn, allow the U.S. grape industry just one attempt to prove unfair competition.

But the U.S. Administration has already made clear that it opposes the extension of comparisons between the management of EEC and American wine industries from wine itself to the grape growers. This, it argues, breaches the boundary between industrial and agricultural rules and is almost certain to be contrary to GATT agreements.

The EEC has fought vigorously against the wine provisions in the Trade Act, warning that it would seek to retaliate if any action is taken by the U.S.

The issue may be raised again by the EEC at a preliminary meeting of the GATT Council today. But the U.S. is expected to repeat earlier assertions that no action against the Community wine industry is likely for several years as no complaint or investigation has yet been held.

The GATT Council's three-day meeting will consider the so far meagre results of two years' study of major trade issues. It is the last meeting of the council before the annual session of the 90 member nations later this month, which could determine whether there is any hope of another international trade negotiation to roll back the protectionist tide.

The talks in Geneva will be clouded by the passing of the U.S. Trade Act, which many countries regard as a further twist of the protectionist screw. Opposition to the U.S. legislation is expected to surface during today's meeting.

On the agenda for the full council will be China's application for observer status at the GATT, the prelude to possible full re-admission. China has already joined the Multilateral Arrangement.

The council is also due to consider a partially successful complaint to a GATT tribunal by Canada about EEC curtailment of its quota on Canadian newsprint.

The European Commission will have another round of consultations with the Reagan Administration in the next few days on the sale of European steel pipes and tubes on the U.S. market. The Administration is under pressure from the industry to hold back imports.

But the Commission noted yesterday that it had no mandate to negotiate any sales restraint agreement. Pipes and tubes are not controlled within the EEC's emergency regime for the steel industry.

Hong Kong will decide this week whether to take its objections to new U.S. country-of-origin rules to the Textiles Surveillance Board, a GATT body. Mr Hamish Macleod, the colony's trade director, said yesterday, AP-DJ reports.

At a Press conference, Mr Macleod also said he believes the U.S. has not strictly enforced the new customs rules and that some shipments of garments from Hong Kong that might be restricted by the new regulations are getting through to the U.S.

The rules, which were announced on August 3 and partially imposed on September 7, took full effect last week. The regulations limit imports of garments assembled in one place of components made in other countries.

Why Boeing is putting new Airbus airliners on ice

BY LESLIE COLFITT IN BERLIN

PARKED on the tarmac at Hanover airport are three Airbus A310 aircraft, painted in the livery of Kuwait Airways, which does not fly to Hanover. The aircraft have never been flown by Kuwait Airways and are now owned by Boeing, Airbus Industrie's chief rival in the aircraft sales business.

This curious situation

emanates from the searing competition between Boeing and Airbus. The U.S. company bought the undelivered Airbus A-310s from Kuwait Airways in order to sell the airline its own Boeing 767s.

Aircraft manufacturers have long been purchasing used aircraft, their own and rival makes, in order to sell new ones. But buying on the

competition's brand new airliners marks a new stage in the sales battle.

The A-310s were flown to Hanover airport because that is where Hapag-Lloyd-Flug, a West German charter airline, has its service base. The West German company will service the aircraft until Boeing can resell or lease them to another airline.

Boeing has also bought five Airbus A-300s from Singapore Airlines in return for selling it jumbos and Boeing 737s.

Hapag-Lloyd was chosen as Boeing's European service base for the rival Airbus because it has a fleet of seven Boeing 727s and 737s and seven Airbus A300s. "Our job is to see to it that the Airbus aircraft are ready to be flown

away at any time," said Herr Gerhard Simonsen of Hapag-Lloyd.

The war between Airbus Industrie and Boeing intensified in September when the European company signed a letter of intent with Pan Am which is to lease and purchase a fleet of Airbus A300s and A310s worth up to \$2bn. This was seen as an important

breakthrough for the Airbus. Mr Edward Acker, Pan Am's president, was asked if he believed Boeing might now make him a better offer. He replied this was "possible" but that Pan Am had chosen the Airbus because it was the "better airplane". He noted that Boeing did not have the "right solution" for Pan Am's specific needs.

Japan's petrochemical cuts may not suffice

THE REMARKABLE rationalisation of Japan's petrochemical industry may not have been remarkable enough. In advance of new competition from Saudi Arabia, where multi-billion dollar chemical plants based on cheap natural gas are coming onstream, European producers have been looking with envy at Japan's rationalisation.

By next spring Japan will have shut down a third of its capacity and altered sales networks from 48 to eight. When completed, the Japanese programme should bring domestic supply roughly in line with projected demand in the world's second largest market after the U.S. In Europe, nothing of the kind has been accomplished, and capacity still overhangs demand by some 15 per cent.

But industry executives in Tokyo are already saying they have not done enough. When the plan was drawn up in 1982, "we thought the Saudi Arabians would be delayed or some of their projects discarded," said Mr Akio Kobayashi, corporate planning director of Sumitomo Chemical, one of Japan's largest chemical groups. "But we underestimated them."

At the same time, the Japanese companies hoped that Europe would be more successful in rationalising its industry. Most of the deals to date, however, have been small ones like last week's between ICI of the UK and Atochem of France, in which just 2 per cent of Europe's low density polyethylene capacity will go out of business.

As a result, Japan sees trouble ahead on two fronts.

The first is its exports. Although they account for only 10 per cent of production, Japan has carved out an important position in the South East Asian petrochemicals market, a position it had hoped to maintain over the next decade. It now fears that European producers, anxious to keep up their production levels, will make a battleground out of that market.

Mr Akira Takashima, director of the chemicals division of MITI, the Japanese Ministry of Trade and Industry, which sponsored the chemicals rationalisation programme said: "If they (Japanese chemical companies) lose their foreign market, even though it is just 10 per cent, the effect will be so great that prices in the home market will be greatly reduced."

The Japanese chemical producers can ill afford a price reduction. According to MITI figures, the industry last year earned only Y14bn on sales of Y2,900bn.

The second area of vulnerability for Japan is on imports, which have been steadily growing over the last six years. This is due to the feedstock advantage of American and Canadian producers, who can use cheaper natural gas products to make their petrochemicals. Japan's industry, by contrast, is 97 per cent dependent on imported naphtha.

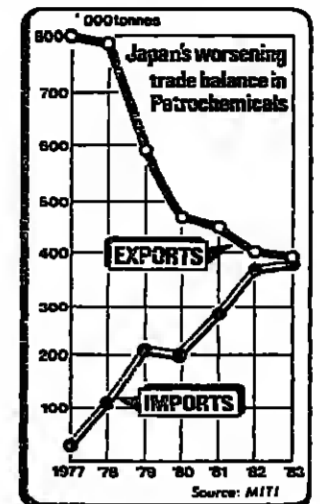
Added to this increasing success from North America is the unexpected marketing strengths of the new Saudi Arabia producers. "Our customers were unsure about Saudi Arabia because of expected lack of service

and reliability of supplies. But they are doing a first-class marketing job. And furthermore, if the price is very low, they (the customers) will certainly buy," said an executive in Tokyo recently.

The industry had been projecting that imports of ethylene would increase by about 40 per cent by the end of the decade to 570,000 tonnes. In May this year, the figure was re-estimated at 700,000 tonnes a year of ethylene or 17 per cent of the domestic market.

Unlike Europe or the U.S., Japan cannot consider raising tariff barriers against this rising tide of imports, because of its trade surpluses with other countries. Some executives are already recommending further cuts in capacity. "The current volume of scrapping is one scenario, but if it is not

working, we will have to think about the second or third scenario which will show more reduction of capacity," said Mr Takashima.



New Siberian gas pipeline planned

By Our Berlin Correspondent

MOSCOW has told its East European allies in Comecon that they can get increased gas supplies by helping it to build a gas pipeline from Yamburg on the Caspian Peninsula in Western Siberia to the Western border of the Soviet Union.

The pipeline will be the second major such project for the East Europeans. They helped build the 4,600-km Urengoi pipeline which has started to carry gas to Western Europe.

At a Comecon conference in Havana, Cuba, Mr Nikolai Tikhonov, the Soviet Prime Minister, plainly told the East Europeans they could get greater supplies of gas by helping to build both the pipeline and facilities on the site. But he ruled out greater supplies of oil. "The Soviet Union wants to sell its oil to the West to earn hard currency for vital imports of grain, machinery and equipment."

If the Urengoi pipeline seemed remote Yamburg is even more so. It is not even listed in the Soviet geographical atlas although the Gas Ministry in Moscow says it contains the second largest field in the country.

Located 146 km north of the Arctic circle and 400 km to the north of Urengoi, Yamburg is certain to become one of the most challenging gasfields ever to be exploited. Already 40 tracked vehicles are on site along with bulldozers, crawler tractors and trucks as well as prefabricated housing and a portable power station.

Yamburg cannot be permanently supplied by land, however, as burricane force winds sweep in from the Kara Sea during the long winter when temperatures hover at minus 50 degrees Centigrade. The bed of a nearby river had to be widened and deepened with explosives to permit supplies by sea.

Drilling rigs had to be erected quickly at Yamburg as the heat created by the rigs quickly softened the permafrost. Boreholes were drilled obliquely into the ground from one site to obviate this problem.

In June 1983 the first production borehole began pumping but the gas went only to the site workers' houses. A pipeline was begun to connect the Yamburg field to the Urengoi pipeline but progress was slow.



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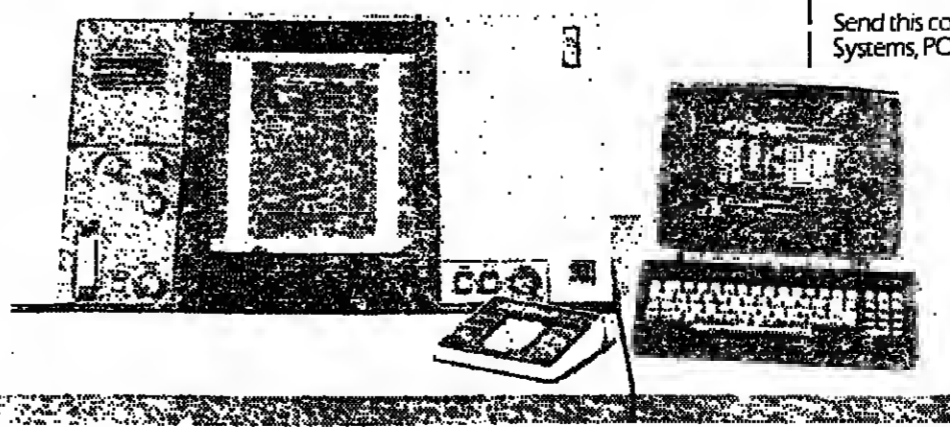
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U.S. PRESIDENTIAL ELECTIONS

Reagan keeps company with world's grand old men



Jesse Jackson... loses appetite for Democrat's campaign

Jackson out of sight but not out of mind

By Reginald Dale

WHATEVER happened to Jesse Jackson? The black Democratic presidential candidate has dropped like a stone from the U.S. TV screens since Mr. Walter Mondale was nominated at July's Democratic Convention.

Mr. Jackson, it seems, is not after all going to deliver the South to Mr. Mondale, through a massive black vote registration drive, as the Democrats once fondly hoped.

Mr. Jackson has indeed been actively campaigning in the South, and registering a great number of black voters—relatively unobtrusively for a man who likes the limelight. But he is up against a number of problems.

The first is that his heart is not really in it. While he is a southern black, he has found it hard to go on and enthusiastically urge a vote for Mr. Mondale.

The excitement that his candidacy spurred among black voters earlier in the year is now readily transferable—and it is not even sure that Mr. Jackson wants to transfer it. He seems to prefer to bank that support for some future date.

The second problem is that whites in the South have mobilised their own voter registration drive and are registering new Republicans as fast as, if not faster than, Mr. Jackson is signing up black Democrats. Perhaps three or four out of five of the new white voters will vote for Mr. Reagan—if they vote.

That's the third problem. According to a recent study by Ms. Mary Coleman, a political scientist at Jackson State University in Mississippi, new voters in the South, whether white or black, who tend to be poor and underprivileged, are actually less likely to go to the polls than voters who have been registered longer.

Mr. Jackson, who has in the past blown hot and cold with alarming rapidity about the Mondale candidacy, is defensive about what he has been doing. "The record will show that I've spoken more times to more people and convinced more people to vote for Mondale and Ferraro than anybody else in the field—including, nevertheless, he complains, Mr. Mondale has not really delivered his side of the bargain. He feels that Mr. Mondale has not given blacks important enough campaign positions and has neglected favourite Jackson issues like South Africa and U.S. Third World policy, perhaps the ticket itself."

The preliminary conclusion of the political experts is that Mr. Reagan has gained as much white support from Mr. Jackson's activities as he has lost black. Blacks in any case are almost a lost cause for Mr. Reagan—they are expected to vote Democratic by 50 per cent to 50 per cent.

Mr. Jackson has this year done for many blacks what Ms. Ferraro has done for women. He has made them respect a computer candidate for national office. Neither the U.S. nor the world has heard the end of him.

IF—as it would seem—American voters are willing to dismiss the "age issue" and vote by an overwhelming margin for the oldest candidate who has ever campaigned for the White House, they will be taking a gamble—but one which, on the form, has a fair chance of turning out happily.

There are examples. President Eisenhower is one, and Sir Winston Churchill another—of men of great energy and ability afflicted in office by grievous physical disability.

But there are also many examples of men who have taken and wielded power effectively when far older than President Ronald Reagan, who will be 74 next February 9. Herr Konrad Adenauer, for example, first became the Federal Chancellor at 73, Mr. Reagan's age today. He signed the Treaty of Rome eight years later and did not retire until he was 87.

President Reagan's health has been a subterranean issue in the campaign. His opponents claim that he falls asleep in meetings, loses the thread and does less than a full workload. His doctors insist that his health is excellent—and his supporters retort that perhaps

some of his predecessors should have worked shorter hours if it would have made them as successful as he has been politically.

There are also men for whom "climbing to the top of the greasy pole," as Disraeli put it,



is a better rejuvenator than monkey glands, restoring vigour and confidence to many a politician who had slouched his way indifferently through the middle slopes of a career. Ronald Reagan seems to be one of them.

Another classic instance is the Earl of Stockton, better known as Mr. Harold Macmillan,

of whom it was said, when he was 60, that "he seemed to many people to be bored, tired and ready for retirement." At 63 he became Prime Minister and threw himself into the job with a jaunty zest for life which he has not lost at 80.

Charles de Gaulle was similarly rejuvenated when he left Colombey-les-Deux-Églises in 1958 to become President at the age of 68 and proceeded to dominate French politics until his retirement 11 years later.

Chairman Mao put himself at the head of the youth of China in an effort to prevent the ageing of the Revolution. He launched the Great Proletarian Cultural Revolution at the age of 72. At 80, he had given up swimming in the Yangtze and said "God has sent me an invitation" but he said, "I am not interested."

Mr. Gladstone, the Grand Old Man of Victorian politics, was not only indisputably grand but was also astonishingly old.

When Gladstone was 82, Queen Victoria, herself a mere 73, scoffed bitterly at the idea "of a deluded, excited man of

By Godfrey Hodgson

SC trying to govern England... It is like a bad joke." The next year he was back in No. 10 Downing Street at the age of 83, at the head of his fourth administration, and he hung on for another two years.

There are two separate issues involved. Incapacitating illness—a heart attack, a stroke, blindness or deafness—can strike a man at any stage of later life. That is one hazard in electing or appointing men of great age to high office, but it is different from the gradual decay of faculties, known medically as senility, which can set in at widely differing ages.

President Eisenhower was a fit 62-year-old when he became president. Yet in the next five years he suffered a massive coronary thrombosis, an intestinal condition (ileitis) that demanded major surgery and a dangerous cerebral stroke.

Although recent biographers have rehabilitated Eisenhower's reputation, there was a pervasive belief during his second term that he was not fully fit for the duties of the presidency. Indeed, the Eisenhower

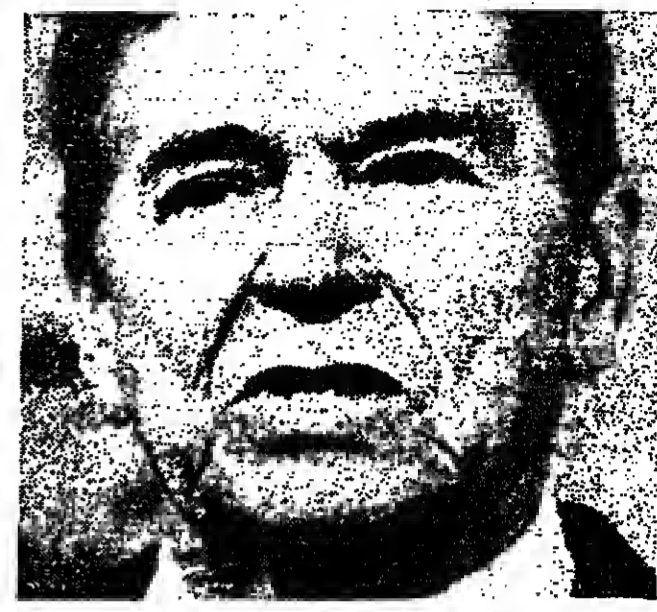
precedent has helped to fuel the whispering in Washington about President Reagan's health.

During the First World War, the youthful Winston Churchill remarked with a mixture of awe and compassion on M. Georges Clemenceau at 74, "a terrific engine of mental and physical power, bulging and throbbing" in an exhausted body.

Churchill's slow decline into senility and the resilience with which he overcame medical disasters that would have killed weaker men, were chronicled in painful detail by his doctor, Lord Moran.

When he finally retired, aged 80, Lord Moran noted, Churchill had survived one heart attack, three attacks of pneumonia, one of them "a damned near thing," two cerebral strokes, two major operations, one of which lasted two hours, senile pruritis and conjunctivitis, not to mention hernia, deafness and a long period of no natural sleep without sedatives.

What general conclusions can be adduced from the impact of old age on political leaders? Perhaps only two: that old age afflicts very able men and women, as it afflicts the rest of



The President... showing his age

us, in an utterly unpredictable fashion. Second, that the machinery of government will continue to function as well if the leader is absent in mind as if he is absent on vacation. All that is missing in that case is the direction that energetic and wise leadership called for in the first place.

Exercising their democratic rights, 220 also-rans jostle for votes

By Nancy Dunne in Washington

CONTRIVERSY STILL surrounds the choice of Ms. Geraldine Ferraro as the first woman Vice-Presidential candidate to run on a major political ticket in the United States.

Yet virtually no attention is focused on two women pursuing the Presidency today.

One is Ms. Sonia Johnson, a former Mormon, who has been ejected from her church for supporting women's rights.

The standard-bearer of the Citizens' Party, which polled 236,000 votes in the last Presidential election, Ms. Johnson runs on a platform emphasising feminism, non-violence and disarmament.

Even less known is Ms. Nell Flola, a prophetess who claims

she can travel through space and time.

The two women are among more than 220 minor party and independent U.S. Presidential candidates of varying degrees of seriousness and political philosophies who have registered with the Federal Elections Commission.

In the fine old tradition of democracy, anyone can run for President who is at least 35 years old, a natural-born U.S. citizen, and a U.S. resident for 14 years. Sometimes, it seems, almost anyone does run.

This year's roster includes two convicts on a prison reform platform, a clown who promises to "talk to the Russians one

to one," a folk-singing minister, and a house painter who wants to refinance the country and give everyone \$10,000 (\$9,330).

Another woman is pursuing the Vice-Presidency. She is Ms. Angela Davis, the black militant who achieved notoriety here in 1970 when she was accused of aiding an attempted prison escape. Ms. Davis is running on the Communist Party ticket headed by Mr. Gus Hall, at 74 the oldest candidate in the field.

In the last Presidential election year, Mr. John Anderson, an independent candidate, captured 6.6 per cent of the total

vote. Today's minor candidates have little hope of drawing that kind of support. Although most are in the race for fun or publicity, some are deadly serious.

The candidate most likely to finish third today after Mr. Ronald Reagan and Walter Mondale is Mr. David Bergland, head of the Libertarians, who two basic tasks: protecting personal liberty and defending against foreign invasion.

Mr. Bergland would sell most of the Federal Government's assets to pay off the national debt, supports a totally free

market economy, and calls for a non-interventionist foreign policy.

Another contender is Mr. Lyndon H. LaRouche, founder of the right-wing U.S. Labour Party, who is now calling himself an independent democrat.

Mr. LaRouche has also switched his focus from the "conspiracies" of the Rockefeller family to the need for a monetary system based on gold to prevent global economic collapse.

Mr. LaRouche had a \$7m campaign budget which he spent largely on commercial television time.

Many of the other contenders are one-issue candidates seeking write-in votes to promote a

favourite cause.

Mr. Owen Balding, a retired history professor from Illinois, wants to replace Congress and the Supreme Court with groups of citizens chosen regularly by lottery.

Mr. Earl Dodge, of Denver, Colorado, the nominee of the Prohibition Party, seeks to ban liquor and abortions and restore school prayer.

Mr. Phillip Baker, a Kentuckian, wants spaceship rides to the moon and other planets.

Ms. Susanna Dakin, of California, has a popular proposal among peace activists. She wants the leaders of the nuclear powers wired to blow up before everyone else, in the event of nuclear war.

Voters in 44 states to rule on referenda

By Nancy Dunne

MORE IS at stake in today's elections than the U.S. Presidency.

In Utah, voters will decide whether or not showing sexually-explicit films on cable television constitutes a criminal act. In Montana, denture manufacturers are battling dentists for the right to fit their products directly into the wearers' mouths.

As U.S. voters choose between Mr. Ronald Reagan and Mr. Walter Mondale and select Congressmen and Senators, they will also be asked, in 44 states, to rule on a variety of initiatives, referenda, bond issues and constitutional issues.

It is called "direct democracy," a trend which has grown by leaps and bounds since the advent of 1945.

The number of initiatives—those added to the ballot through the use of citizen petitions—surged six-fold between 1968 and 1982, according to Mr. David D. Schmidt, editor of the Initiative News Report in Washington.

Although the total has dropped off since the last election, when nuclear-freeze measures were on the ballot in nine states, there are still 40 initiatives on the ballot this year. Most are pretty serious business.

In California, voters will decide if the legislature, now controlled by Democrats, should cede to a bipartisan eight-member commission of retired judges, the once-a-decade power to redistrict the state politically. They will also be asked to make drastic cuts in welfare spending and to approve a state lottery.

Michigan voters, hot with tax-cut fervour, will vote on a repeal of all tax increases levied since January 1, 1982 and whether to re-establish the 4.6 per cent state income tax level of January 31, 1982.

Oregon voters will rule on the death penalty for specified crimes, such as aggravated murder, and Washington State residents may ask Congress to remove Indian rights to fish for steelhead trout.

One of the costliest initiative campaigns, according to Mr. Schmidt, is being fought—through the use of TV commercials—in Arizona over the question of hospital-care costs.

It is a contest between big business, seeking to reduce the costs it must pay for employees' health insurance, and the hospitals, on five ballot propositions two of which provide for regulation of hospital costs.

With a few confusing initiatives on the ballot, it is possible that two or more will pass and then conflict with each other, Mr. Schmidt said. The legislature could then conceivably amend them—although it has never before "dared" to take such an action, he added.

One of the more controversial initiatives will be debated in Washington, where an organisation which feeds the homeless collected 35,000 signatures to force the city government to provide overnight shelter for those adrift in the nation's capital.

The movement has been opposed by City Hall, which took the issue to court (and lost) in a last-minute attempt to get it removed from the ballot. City officials fear the measure will attract even more homeless to Washington than the 5,000-10,000 estimated to be on the streets.

While the nuclear freeze is absent from all state ballots but one—South Dakota—voters in 16 cities will be asked to make the areas nuclear-free zones, which would outlaw all nuclear-weapon activities, including research.

Eight states will rule on taxes and business regulations. Five will vote on gambling issues, and three face various political reforms.



Suspense still surrounds Senate contests

By Nancy Dunne

THE ONLY suspense left in today's voting, according to U.S. pollsters, is the question of coattails. Will President Reagan's popularity carry Republican congressional candidates to victory? Will the electorate seek to check the President's less liked foreign and social policies by sending Democrats to Washington? Will the coattails of popular Democrats give Mr. Walter Mondale unexpected victories in the north and mid-west?

The Senate is now composed of 55 Republicans and 45 Democrats. The Democrats hope to pick up two or three seats, the Republicans hope

to maintain their margin.

In the House, the Democrats have been firmly in control by 266 seats to 167. Polls show the Republicans picking up strength, but predictions vary widely. The Republicans will be ecstatic if they pick up the 36 seats they lost in 1982, which would again give them, with the help of conservative Democrats, "working control" of the House.

Candidates in several senatorial contests have been

running neck and neck for weeks. The most expensive contest, and one of the closest, is being fought in North Carolina between Senator Jesse Helms, powerful chairman of the Senate agriculture committee and Governor James B. Hunt Jr, the state's popular, moderate governor. The most recent Gallup poll gives the lead to Senator Helms. The Harris poll pre-

dicts a win for the governor.

In Texas, the Republicans are expected to claim the seat in the Senate with the electorate Representative Phil Gramm, a former Democrat who became something of a local hero when he switched parties in 1983 to back Reaganomics. His opponent is a Liberal state senator, Lloyd Doggett, who has been trying to disassociate himself

from Mr. Mondale's unpopular tax proposal.

Two races in the mid-west are getting national attention. In Illinois, Senator Charles Percy, chairman of the foreign relations committee, is heavily holding his lead against his Democratic challenger, Congressman Paul Simon. In Iowa, where the farm recession is still deep, another Republican senator, Robert W. Jepsen, is in trouble running against the Democratic congressman, Tom

Harkin.

In West Virginia, Governor John D. (Jay) Rockefeller IV, a Democrat, has spent millions on a dubious television ad campaign attacking his Republican opponent for the Senate, wealthy businessman John H. Raese. The governor is maintaining the lead, but the outcome is in doubt.

A conservative tide is threatening to sweep Massachusetts and take with it to the Senate Republican businessman Raymond Shamie, who is facing Lt. Governor John F. Kerry, a handsome former anti-war Vietnam veteran.

Political hopefuls catch on to the power of the computer

By Paul Taylor in New York

OVER 500,000 people run for public office in the U.S. each year. Where you have two relatively evenly matched candidates, the one with the computer is going to win.

So says Mr. John A. Phillips who once ran for Congress in Connecticut and lost. But in the process he turned his electioneering experience to good use. He hit on a money-spinning idea which has blossomed as politicians and party organisers discovered the power of the computer—particularly in a presidential election.

In 1982, Aristotle Industries, a small high-tech company founded by Mr. Phillips and his brother five years earlier, began marketing a computer software programme called "campaign manager."

The programme, which sells

for \$750 (£614) and runs on either IBM or Apple personal computers, is one of a new wave of computer software designed to help candidates win office—and then stay there.

So far 1,100 candidates, including 160 members of Congress and political hopefuls from Mr. Jerry Falwell's South Korea, have bought Aristotle's programme alone. Sales of "campaign manager" this year have topped over \$500,000.

Using the programme's integrated features, candidates and their supporters can perform a multitude of tasks including: keeping track of polls, drawing up sampling and mailing lists, targeting potential supporters, scheduling candidate appearances with VIPs and printing out directions for the limo driver, indexing opponent's poli-

tical statements, drawing up press releases and keeping tabs on funds and expenses.

The lack of access to such a programme was brought home in 1982 to Mr. Tom Bradley, Los Angeles Mayor, when he ran unsuccessfully against Republican George Deukmejian for the California Governorship.

Using computers, the Republican camp was able to identify absentee voters likely to vote for Deukmejian. The result was 150,000 Republican postal votes, almost double the Republican paper-ballot vote victory.

Although computers had been used in election campaigns before, the California experience is probably partly

responsible for the surge in their use during this Presidential election. Both parties are actively using computers but by all accounts the Republicans have retained the edge.

The Democrats are using computers for mundane tasks like fund-raising appeals and generating mailing lists.

In the Republican national committee's Washington headquarters Mr. Dr. Thomas H. Hoteller, director of Computer Services, has installed two minicomputers, a digital equipment machine and one made by Wang, and a variety of personal computers.

Among the specific uses Dr. Hoteller cites:

● Using a political and a demographic data base, which the Republicans bought from the U.S. census office, the party is able to focus on groups of potential supporters and issues.

● By indexing and cross-referencing the political statements of opponents gleaned from newspaper clippings and elsewhere, the Republicans are able to provide candidates, including the President, with up to date and highly specific information on the opposition.

● Seventy Republican field workers have been equipped with briefcase-size Tandy model 100 portable computers which can be tied in using telephone lines to the main computer to send and receive "electronic mail."

Dr. Hoteller believes the use of computers in election cam-

paigns "will grow exponentially."

Although he admits there is still "a certain amount of fear because of a lack of understanding" among candidates about using computers, he is convinced the computer has already become a permanent feature of U.S. election campaigns.

Aristotle Industries and other software vendors are also gearing up for the main post-election challenge facing successful candidates—keeping the job.

In December Aristotle will start marketing a "\$2500 program called "constraint service." The new multi-user program is designed to help office-holders keep in touch with their supporters and constituents.

Ferraro puts women in the front line of politics

By Reginald Dale, U.S. Editor, in Washington

THERE IS one thing Ms. Geraldine Ferraro is not. She is not "a quitter." Perhaps even more than Mr. Walter Mondale, her presidential running mate, she still insists that the Democrats can stage a miraculous come-back to win today's U.S. elections.

"Gutsy," "feisty," "tough," "spirited" and "abrasive" are some of the words that have been used to describe her since she burst on to the national scene in July as the first ever woman vice-presidential candidate of a major U.S. political party.

To many Americans outside her New York base—and particularly in the South—her style seems grating and unsympathetic.

In the past three months, however, she has needed all of that grit. A few days after sky-rocketing to an emotional high at the San Francisco Democratic Convention, which

nominated her with ecstatic giddiness, Ms. Ferraro rebounded back to earth with a resounding and painful thump when she discovered that the American media can do to those who run for office in post-Watergate Washington.

At one point she almost seemed to quit. After the public inquisition over her tax returns and the finances of her husband, Mr. John Zaccaro, a wealthy New York property dealer, she confessed in a fighting moment of weakness that if she and Zaccaro what was in store she might not have agreed to run.

But she rallied. Most Americans, according to the opinion polls, thought that she banded the crisis with dignity and alamb—it is not uncommon or really unrespectable for people in the U.S. to have tax problems. If anything, there was less sympathy for an increasingly unpopular press than

there was for her.

The damage was still done. Ms. Ferraro has never regained the pristine shine of those few heady days in the San Francisco limelight. She is now, it has been remorselessly repeated, "just another candidate."

The myth that she was a "poor immigrant" from New York has also been punctured—while she represents the working class congressional district of Queens, everybody knows that she lives in a millionaire's home in a swank, rich enclave.

That, seen from Washington, has been both good and bad for her cause. It is good that a woman should not be held to the impossibly high standards with which she seemed to set out—just because she was a woman and an exciting political novelty.

It is bad, however, her descent from the giddy heights allowed a lot of people to make unnecessary cuts and destructive comments about her. She did not help herself by publicly casting her husband in the role of the selfish, male-orientated "Italian husband" that he probably is.

Ms. Ferraro was obviously right to complain about the media slurs that were made against her, simply because, she says, she has an "open vowel" at the end of her surname.

But it remains a fact that it is hard for anyone to succeed in New York politics, as she has, without coming into contact with seedy and shady characters — you don't even need the "open vowel."

Nevertheless, some of these questions have not been satisfactorily answered. It is too early to tell how far they may damage her political career in the future — if, for example, she runs for the U.S. Senate in New York in 1986.

There are perhaps not so surprisingly, a number of people who said, this year, that they would most of all have liked a Reagan-Ferraro ticket.

Ms. Ferraro's task has turned out to be a thankless one, but she has fulfilled it. Either party which in future leaves a woman off the ticket will have a hard job explaining why. She may or may not have "won" her debate with Vice-President George Bush, but she has established herself as a serious and, to many people, a popular campaigner.

There are still many who believe that Mr. Mondale would have done better to choose, say, a Southern man, to balance his ticket. Of course Ms. Ferraro was chosen because she is a

woman — just as a Southern man would have been chosen because he was a Southern man.

That is not a reason for criticising her selection, as Mr. Reagan did last week. She has not. It is true lived up to the initial impossibly exaggerated expectations. These were defined as follows by Time magazine last week: Women, especially women seeking public office, have been allowed a very narrow range of acceptable behaviour. A woman candidate must be neither too sexy nor too severe, too young nor too old.

Her voice must be modulated into an aural approximation of the dress-for-success suit. Otherwise she will be thought — God forbid — too aggressive.

The must seem tough enough to stand up to the Soviets without being tough enough to frighten Freud. She may also, of course, like everyone else, be fallible.

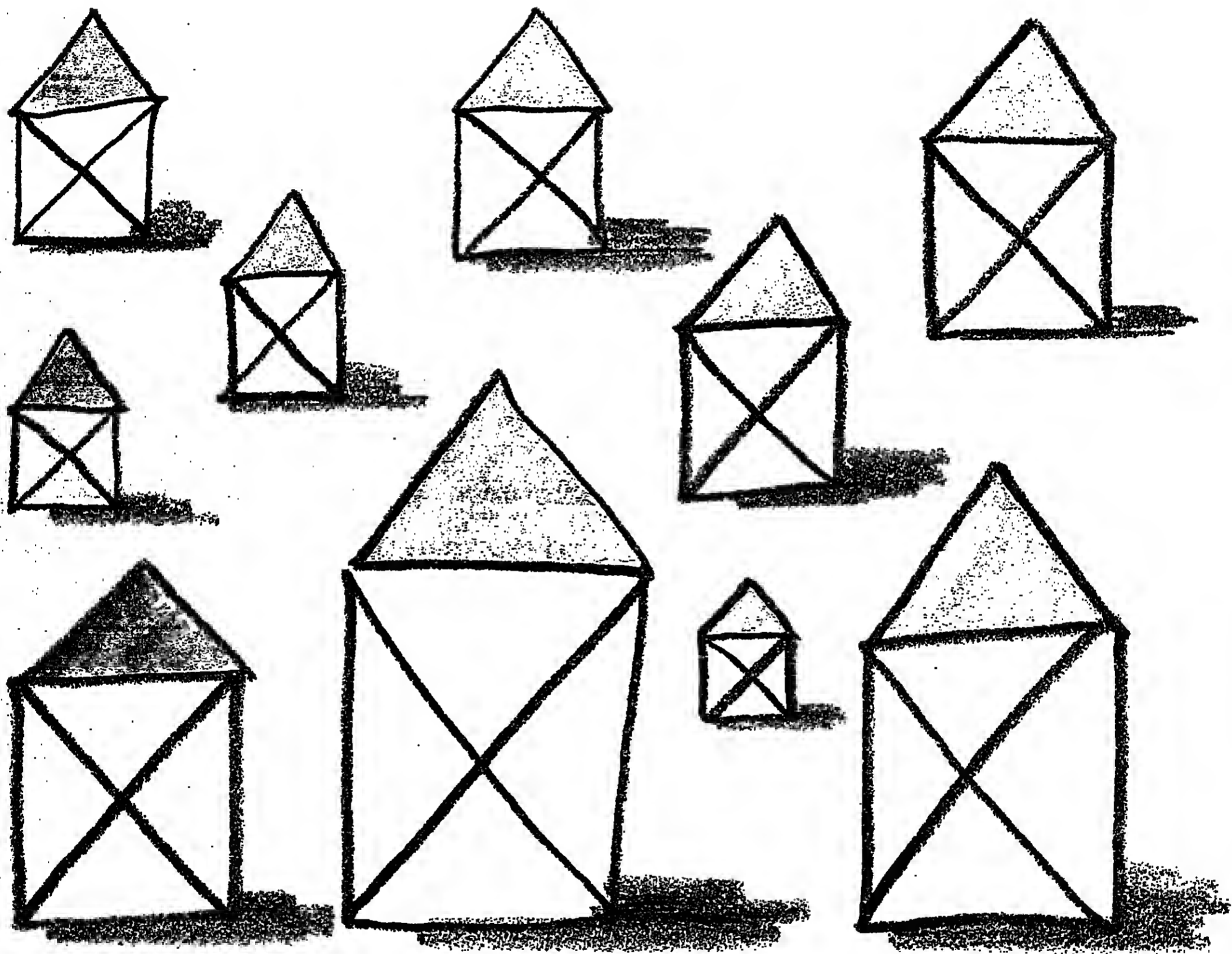


Ms. Geraldine Ferraro insists a Democratic come-back is still possible

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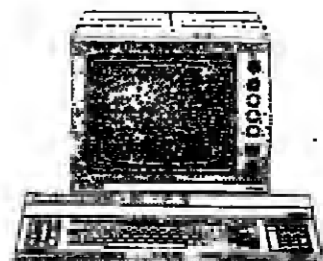
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UK NEWS

Large oil producers yet to accept BNOC price

BY RICHARD JOHNS

LEADING oil producing companies operating in the UK sector of the North Sea last night had still not accepted the proposal by British National Oil Corporation (BNOC) for a \$1.35 per barrel price cut.

BNOC says that it expects complete agreement by the end of this week. But there were signs last night that three of the large operators were unhappy with the lower price structure proposed by the corporation 2½ weeks ago.

Statoil of Norway, which precipitated the latest oil crisis by offering a discount of \$1.35 to its customers, yesterday confirmed that it had raised the rate by 30 cents for November.

Large operators still to accept the new price structure sought by BNOC were British Petroleum, Esso and Britoil. Shell assented to the new proposals on October 23, but may now have misgivings.

BNOC's proposed selling rate of \$28.65 for Brent Blend, the UK reference, now compares with those for comparable varieties:

- \$29 for Arabian Light, Opec's reference.
- \$29.05 for Norwegian Brent
- \$28 for Nigerian Bonny Light.

BNOC is understood to have received acceptances from a number of companies for the price proposals made in the wake of Statoil's offer of the \$1.35 discount and Nigeria's subsequent \$3 price cut.

The corporation, which has sustained heavy losses by having to sell UK crude on behalf of producers in the spot market, is believed to have obtained assent so far mainly from companies with interests weighted mainly in refining and marketing rather than production.

The Treasury recently informed BNOC that its losses by mid-September had exceeded its assets, according to the text of a minute submitted to the House of Commons committee of public accounts. The document says that BNOC responded by requesting an assurance that Mr Peter Walker, Energy Secretary, "would provide financial support".

Manufacturing costs rise sharply

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE PRICES of manufacturers' raw materials and fuels rose sharply in October, partly as a result of the recent depreciation of sterling against the dollar, which pushed up commodity and oil prices in sterling terms.

Figures published by the Department of Trade and Industry yesterday showed that the price index for bought fuels and materials rose by 1.8 per cent between September and October and by 8.6 per cent in the year to October.

This compares with a rise of only 6.5 per cent in the year to September. However, although inflationary pressure has clearly increased, Whitehall officials caution that the jump in the annual rate in October may be a statistical quirk.

It reflects the fact that prices fell by 0.2 per cent in October 1983. However, the rate of increase of manufacturers buying prices has been running significantly ahead of the inflation rate for almost two years.

Manufacturers have been able to absorb some of the price increases through higher efficiency, however. In the year to October, the prices charged by manufacturers for their goods rose by 5.8 per cent, compared with 5.6 per cent in the 12 months to September.

The index of selling prices rose by 0.5 per cent between September and October as a result of fairly widespread increases across industry.

BL issues writ for ballot on car strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

UNION OFFICIALS from all 13 Austin Rover car plants yesterday voted to reject the company's latest pay offer and continue their strike which began earlier in the day.

Austin Rover, the volume car division of BL, the state-owned motors group yesterday issued a High Court writ seeking an injunction against nine trade unions requiring them to withdraw the strike until a ballot had been held among the workforce.

The company, which has offered a pay-rise of 10 per cent over two

years, took its legal action under the 1984 Industry Act. It is the first large employer to use the legislation since it came into force at the end of September.

A spokesman for the unions said the company would need to make an increased offer before they would consider calling off the strike.

Ford yesterday made an improved pay offer of 5 per cent to its 44,500 hourly-paid workers. Union leaders rejected it and further negotiations were set for November 15.

Managers plan yard buy-out

By Andrew Fleiter

THREE EXECUTIVES of British Shipbuilders plan to mount a management buy-out for Swan Hunter, the second biggest yard in the nationalised group and one of those set for privatisation by the Government.

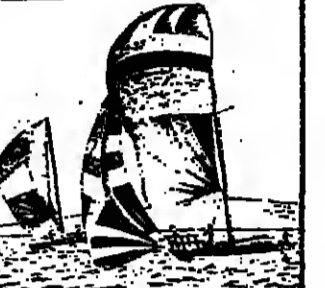
News of the proposed deal for which no price has yet been disclosed, came as the 7,500-strong workforce voted to ban overtime in protest against possible redundancies.

Swan Hunter, a combined merchant and warship yard, has told employees that the order book—now worth about £500m—will drop sharply next year.

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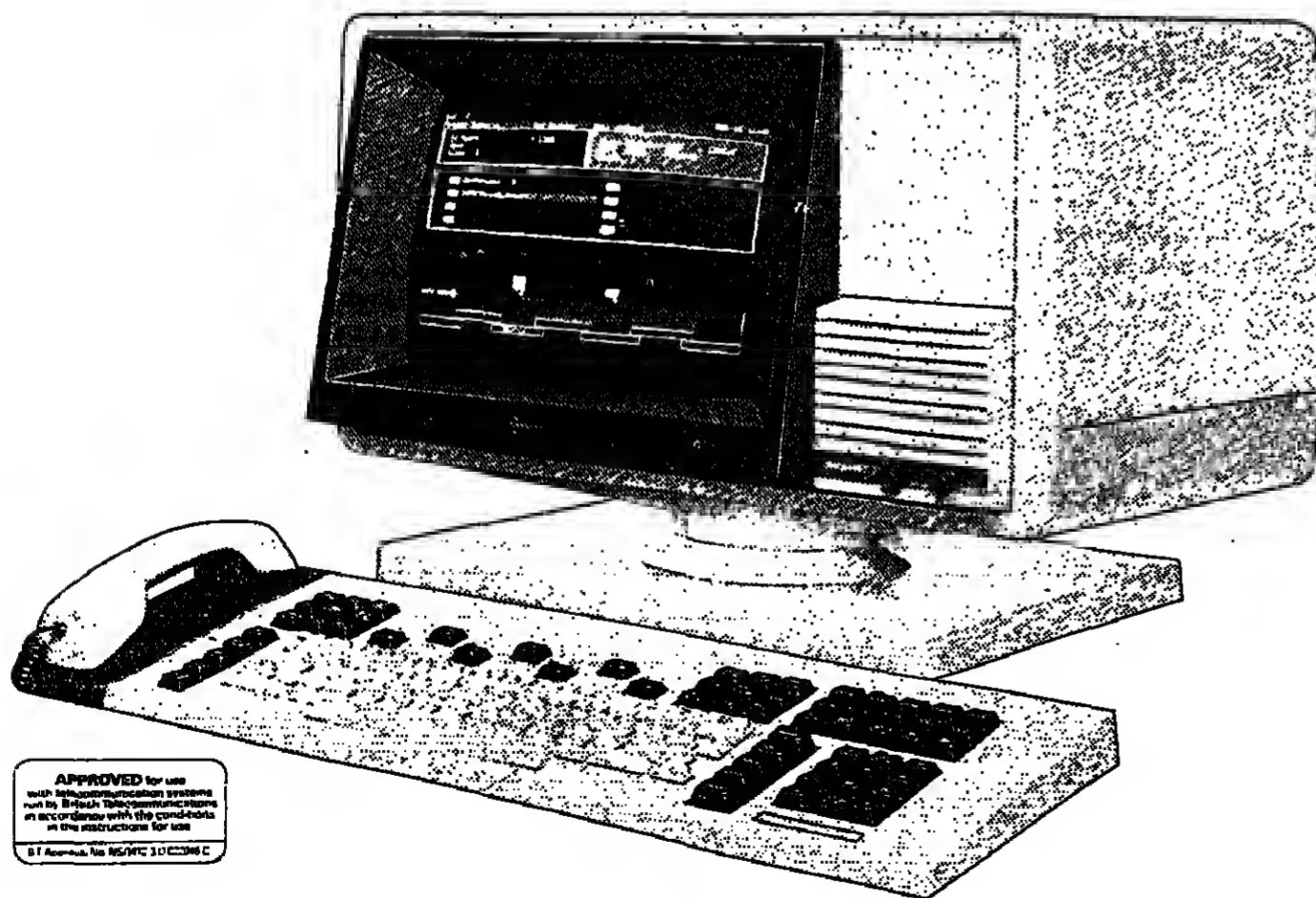


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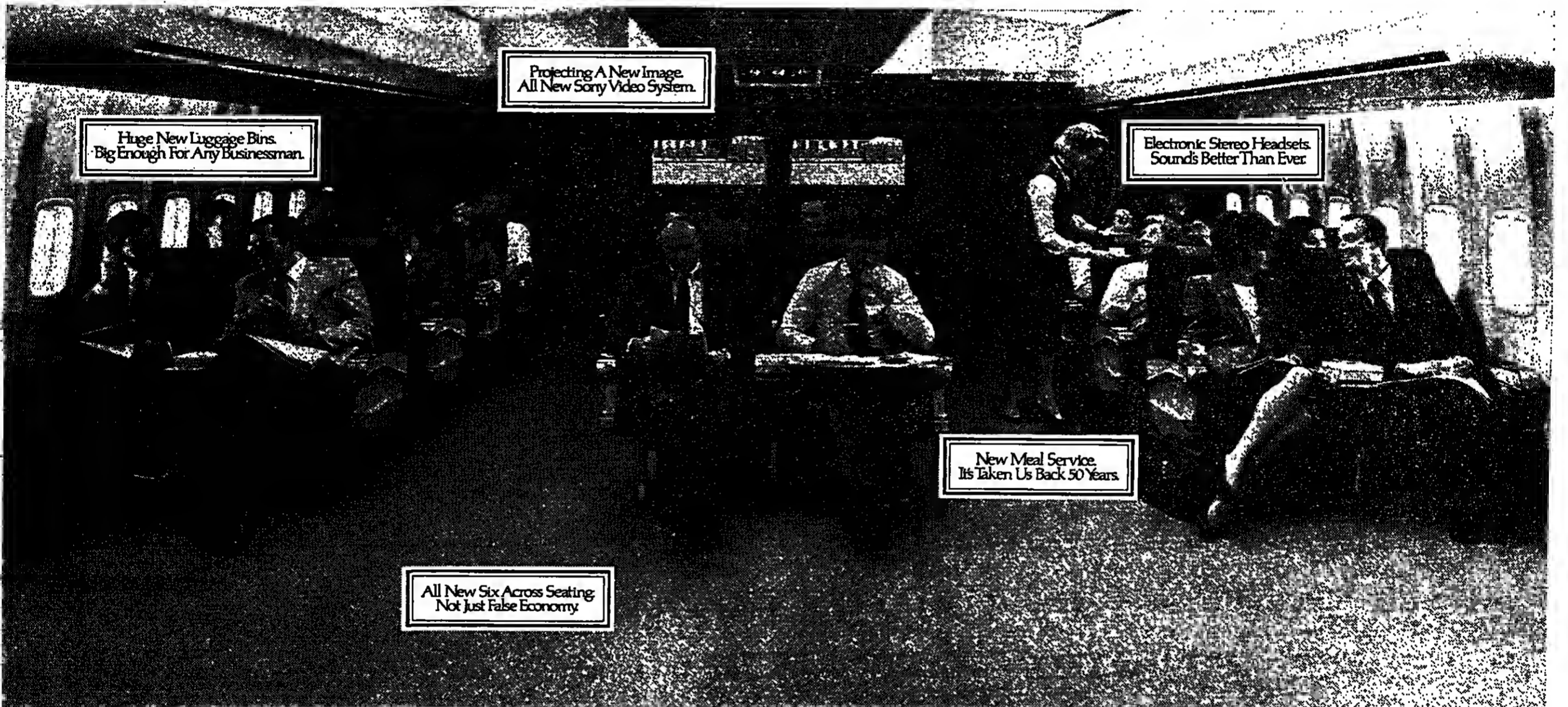
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UK NEWS

The Confederation of British Industry at Eastbourne

Warning on 'surrender to miners'

A VICTORY by Mr Arthur Scargill in the miners' dispute would be "profoundly damaging to industry as a whole," Sir James Clesminson, president, said yesterday in his opening address to the CBI conference. No government and no business in a democracy could surrender to the tactics witnessed over the last seven months, he said. Mr Scargill was proud of the fact that he had not moved one inch. "As a result, he is not only behind the policy of putting the jobs of his own

members at peril by his actions - he has put more jobs in the energy-intensive industries at risk." Because the nation had persisted in maintaining highly uneconomic pits, every taxpayer in Britain was subsidising the British coal industry. That was one of the reasons why the UK's energy-intensive industries such as steel, chemicals and paper, had been uncompetitive by world standards. It was all very well for Mr Scargill to say Britain had the cheapest

deep-mined coal in the world. Some of it was, but a lot was not. "We should be concentrating on those low-cost pits while spending more money creating new business opportunities in the areas affected by closures," he said. "Just as the British Steel Corporation has successfully demonstrated at Corby, surely development along these lines presents a constructive approach which ought to attract the wide support of the trade union movement, rather than the understandable, but nevertheless, misguided support they are currently giving to the miners' cause." Sir James welcomed the fact that those companies which were experiencing increased profitability were turning to new investments. The CBI forecast an increase in investment of at least 15 per cent this year over last year with a further increase expected next year. "Our task now is to ensure that the new technologies are put to proper use with properly trained people working efficiently."

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Sir James Clesminson

Emphasis on service industries attacked

BUSINESSMEN have sent a strong message to the Government that they want more attention to be paid to regenerating manufacturing industry. They are seeking more expenditure on infrastructure projects such as roads, Lisa Wood writes.

Speakers attacked the Government's emphasis on service industries to lead the recovery. Mr Roland Long, of International Harvester, said people were glibly if they believed that there had to be an irrevocable switch from manufacturing to services or that, as North Sea oil production declined, there would be a natural revival of manufacturing industry.

He said the sad decline in manufacturing and the tragic rise in unemployment had constituted the price that had to be paid for the Government's outstanding success in the control of inflation. However, there could be no substantial fall in unemployment without the regeneration of manufacturing industry. Mr Kenneth Durbach, chairman of Unilever, reminded conference that the world's high-growth economies had remained strong in manufacturing. There was a bogus dilemma, he said, between services and manufacturing.

Mr Roy Lawrence, of Raytel, said: "We must make the re-establishment of a powerful industrial base our first priority."

His views were echoed by Mr Clive Jeanes, chairman and managing director of Milliken Industries, who said that many service industries could succeed only on the basis of sound manufacturing industries. "Manufacturing matters because it is still the main source of wealth creation in this country," he said. Government was not convinced that manufacturing mattered, and he gave the example of changed rules on capital allowances in the last budget.

The delays, urging the Government to take a more positive attitude towards infrastructure projects such as roads, housing and sewerage systems, received strong support. Speakers spoke in support of the CBI report, Fabric of the Nation, which calls for investment of up to an additional £3bn over 10 years in such projects.

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THE COST to European industry of frontier formalities within the EEC is estimated at £500m per year, Mr Christopher Tugendhat, vice-president of the European Commission, told delegates, Walter Ellis writes. This "astounding" figure, resulting from time wasted at border crossings, represented between 5 and 10 per cent of the pre-tax value of traded goods.

Mr Tugendhat, who leaves Brussels at the end of this year after two terms as Budget Commissioner, was speaking in a debate on a motion which urged the abolition of barriers to trade in goods and services within the EEC.

He said that the single most important contribution the Community could make to enhance the competitiveness of European industry, and thus help to reduce "the present terrible level of unemployment," was the creation of a real common internal market like that in the U.S. Companies which could not compete would have to adapt their practices or go under.

The Commissioner proposed three areas in which action was needed: border formalities and standards for both goods and services.

In October, he said, ministers attending an internal market council had agreed a common position on the basic rules for a single customs document. Further efforts were required to bring about agreement by the end of the year.

On standards for goods, he noted that a package of 15 Community directives had been agreed. "But we must ensure that even measures as laudable as the new German rules on vehicle emissions do not have the effect of creating new barriers to trade. In my view, all goods that can be placed on the market in one

member state should be able to enter the markets of all the others."

Mr Tugendhat said progress in the area of financial services had also been slow - "so slow indeed that the Commission had launched proceedings in the European Court against several member states in order that the right to provide services across frontiers, which we believe flows directly from the Treaty of Rome, can be implemented."

He said that in the services sector, which employs 56 per cent of the EEC workforce and accounts for one third of external trade, "a situation must be created in which a service properly authorised in one member state can be provided in all the others without the need to create a fresh establishment."

Mr Patrick Sheehy, chairman of BAT Industries, said that European business performance in recent years had fallen way behind that of the U.S. It was no wonder that so many politicians and businessmen were taking an increasingly negative attitude towards Europe. But there was no alternative to Community membership for Britain. "The prospects for an isolated, offshore island would be bleak indeed."

Business, he said, had to think positively and demand the freedom to operate throughout the Community. Businessmen had to find the markets and they needed the support of governments in the creation of a single European market.

Sir David Nicolson, of Rothmans International, stressed the need for a Brussels directive on services and said that if the price of a common financial services market was UK membership of the European Monetary System (EMS), then it was a price worth paying.

EEC border controls costed at £500m



Mr Christopher Tugendhat

Mr Charles Green, of National Westminster Bank, pointed out that the European Currency Unit, the Ecu, was now the third most widely quoted currency in the European money markets.

Mr John Raitman, of Shell UK, felt that EMS membership was now essential and would be seen as an act of very real political commitment to a real economic community.

Lord Pennock, chairman of BICC and incoming president of Unice, the Union of National Industrial Confederations of Europe, said it was necessary to break down barriers to trade through public pressure allied to pressure from the CBI and Unice.

He said Sir Geoffrey Howe, the Foreign Secretary, had promised to use a list of "nonsenses" drawn up by the CBI to help convince his European colleagues of the necessity to establish a single European market. There were too many ideas, theories and concepts about Europe and too little that was of practical value.

The fact that French beer could not be exported to West Germany because of a 16th century regulation was absurd, as was the requirement by France that Italian wine should have French labels.

Lord Pennock was optimistic that M Jacques Delors, the incoming president of the European Commission, would act to help break down national frontiers.

Mr Robert Robinson, of Robinson and Sons, said that his company was a highly successful manufacturer of disposable nappies but was facing unfair competition from a European rival which he said benefited from hidden state subsidies. If such national aids were not made unlawful, his company might have to reconsider its development plans. "We cannot compete with European governments," he said.

Mr Malcolm Harbour, of Austin Rover, felt that the EEC now had to show the political will to open up a free market. It was also important that the new members of the Community, Spain and Portugal, should be brought into the European tariff system.

In 1963, he said, the Spanish car industry, which benefited from a 4 per cent duty into EEC countries, had outproduced the UK car manufacturers and was exporting heavily into Britain. In the other direction, however, there was a 25 to 28 per cent discriminatory tax that resulted in the UK exporting only 2,700 cars to Spain. This had to change.

Mr Derek Kingsbury, of Fairey Holdings, reminded delegates that the Community collectively had a formidable bargaining power in the world. This had to be used, and it was up to the CBI to resist protectionism, subsidies and unfair trade in respect of trade within the EEC itself.

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UK NEWS

Unions in printing technology agreement

By David Goodhart

THE LEADERSHIP of the print union, the National Graphical Association (NGA) yesterday unveiled an agreement which may ease the inter-union squabbles arising from the introduction of new technology in the provincial press.

Mr Tony Dubbins, NGA general secretary-elect, told the union's annual conference that the other main print union, Sogat '82 had accepted a plan for 50-50 Sogat-NGA membership in telephone advertising departments for companies introducing single key striking.

Although there are no single keying agreements yet, when they do come they will allow tele-ad staff as well as journalists to send material direct to computerised typesetting.

The 50-50 deal would imply a continuation of union organisation in the "origination department" - one of the main NGA conditions for accepting single keying. It will not be welcomed by the employers but it may attract less resistance than the union closed shop in editorial.

At present less than half of the industry's 3,300 counter and tele-ad staff are unionised and the majority of those who are belong to Sogat.

Mr Dubbins told the conference that the blurring of demarcation lines by new technology made the argument for one union for the printing industry more urgent than ever.

He gave a warning, however: "To link up with our colleagues in Sogat, fundamental compromises will have to be made, and historic prejudices will have to be overcome. There will not be any more amalgamations on the basis of creating a bigger NGA."

The Sogat development is in sharp contrast to relations with the National Union of Journalists which have been soured by the NGA's move into the sub-editing area at the Portsmouth News.

Such transfer agreements seem likely to become a condition of accepting single keying and Mr Dubbins emphasised yesterday that no redundancy agreements were not enough.

NCB claims strikers' return to work is gathering pace

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE NATIONAL Coal Board (NCB) claimed a considerable success yesterday when 710 men turned up for work at its pits for the first time since the strike began in March.

All coalfields shared in at least a little of this success. The NCB's star area was North Derbyshire, where Mr Ken Moses, the area director, and his colleagues have made herculean efforts to cajole the 10,500 men back to work.

They have been assisted since the beginning of the dispute by Bolsover colliery, which has throughout had some 200 men working. They built on that figure at Shirebrook and Warsop pits especially, and had 500 men at work by the start of the August holidays. The end of the holidays saw a surge forward.

By early October, the area had passed the 1,000 mark and since then the return has increased in speed. Yesterday, there were 1,506 men working in the area, 353 of whom were "new faces" since Friday.

North Derbyshire is the only one of the areas in the English Midlands where the strike has taken hold. In Nottinghamshire, South Derbyshire and Leicestershire, the strikers have always been few and have now dwindled to a hard core of 1,500 out of a 30,000 workforce in Nottinghamshire and only 30 of the 6,000 men in Leicestershire and South Derbyshire.

In Warwickshire's Coventry pit, strikers outnumbered workers by 60:40 until two weeks ago. The Board says, however, that the proportion is now 50:50 and it expects the pit to come slowly into line with the rest of the area.

The Western area, comprising Lancashire, Staffordshire, and the

small coalfields of North Wales and Cumbria, reported 176 new faces yesterday from an overall labour force of 17,000. Of those, 96 were in Lancashire, where about 40 per cent of the 7,000 miners are working, and some 80 were in Staffordshire, where the Board says three quarters of the 9,000 miners are at work.

The board in Scotland and Yorkshire, is also expressing some jubilation. Scotland saw 35 new faces yesterday, bringing the total to 401. The area has seen a slow build-up since 23 men crossed picket lines for the first time at Bilston Glen on July 23, after the summer holidays.

By the end of August, 170 men were working. That grew to over 300 by the end of September and to 360 at the end of October. Barony pit, the one Scottish colliery that could claim to be wholly strike-solid, yesterday lost that reputation when one man returned.

Militant Yorkshire seems to be starting a drift back to work. Yesterday saw 40 "new faces" returning, bringing the working total to 139 (from a workforce of 55,000). Of the four Yorkshire areas, South Yorkshire accounts for nearly half (81) of the total.

The first break in Yorkshire happened at Selby, where new development work meant that contract labour, members of the National Union of Mineworkers but only recently so, formed an Achilles heel. A few individuals "bricked back" in August at Selby and a few other pits. When in October Mr Ken Foulstone and Mr Andy Taylor from South Yorkshire won a court judgment that the strike was unofficial, the back-to-work movement clearly benefited.

Mr Peter Walker, the Energy Secretary, the NCB and working miners' leaders yesterday agreed that the tide was now flowing strongly in favour of a return to work. Mr John Blessington, the National Working Miners' Committee secretary, said: "You have only seen the beginning. The numbers of striking miners returning to work will start to escalate now."

At the same time, however, the movement has to be seen against a nationwide publicity drive by the NCB to persuade miners to return to work - backed by promises of payments of up to £1,400 tax-free at Christmas.

Death of Sir William Duncan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SIR WILLIAM DUNCAN, chairman and chief executive of Rolls-Royce, the state-owned aero-engine manufacturer died yesterday. He was 63.

He was in the midst of a re-organisation of the company, bringing it from losses to profit. Earlier this year Sir William had forecast that the present year's financial performance would show a substantial improvement, although still falling short of net profits.

Only last week, he announced a reshuffle of top management, in which Mr Ralph Robins, former director of the civil engines division, would become managing director of business operations from December 1, effectively "number two" in the company. Mr Robins is expected to stand in as chief executive while a successor to Sir William is found.

He worked his way through the group in positions such as plant engineer, workshops manager, group engineer, and a director and general manager, before becoming chairman and chief executive of ICI Americas in 1968. He became a main board director of ICI in 1971, and a deputy chairman in 1977.



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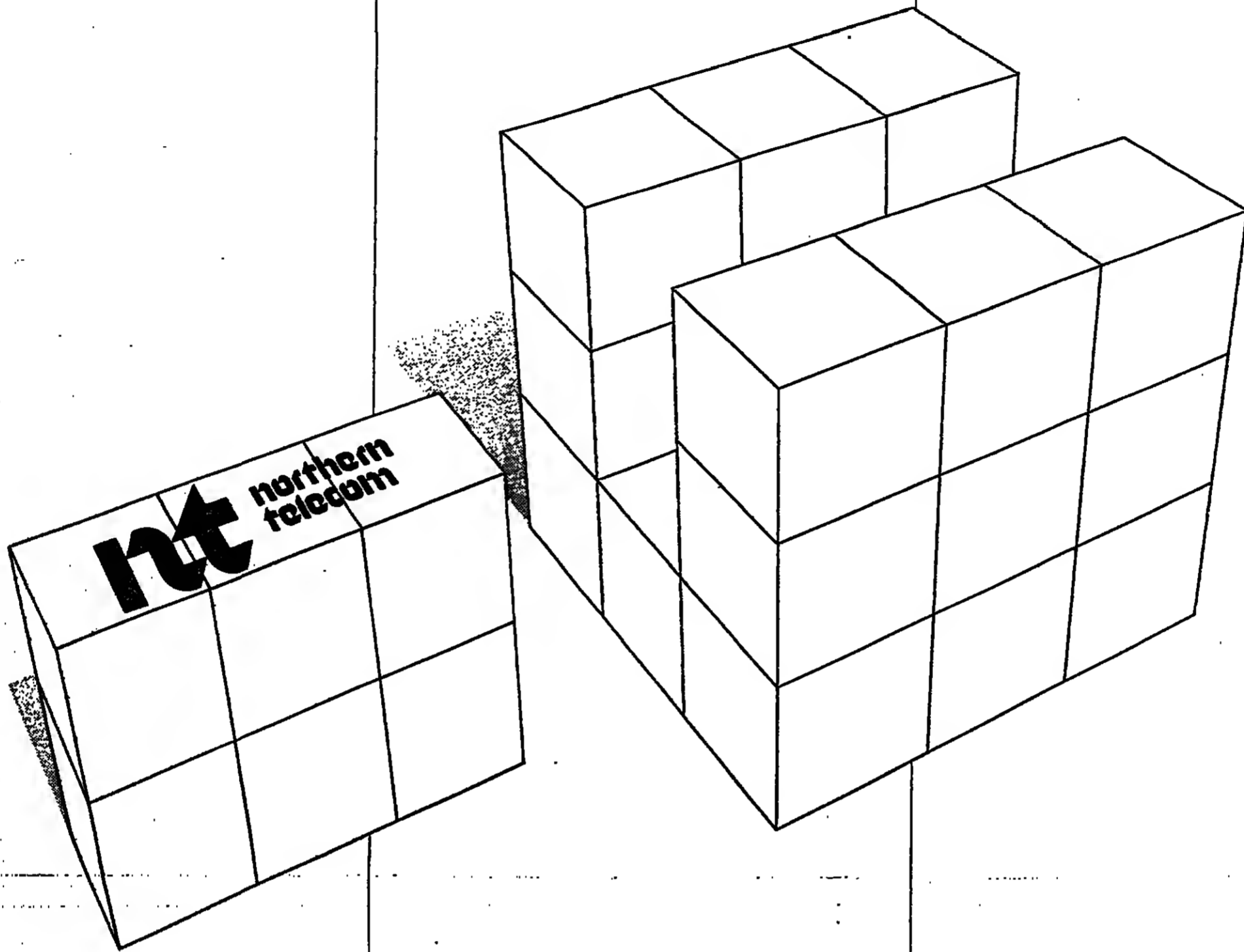
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THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Why Luciano Soprani has designs on his own destiny

Alan Friedman explains an aspiring Italian entrepreneur's pursuit of his own name

"I AM feeling very restless today," says Luciano Soprani, pacing about his elegant office in the heart of Milan's fashion district. The 38-year-old designer, who is one of Italy's fastest rising fashion stars, threw open the windows and sat down to light the first of many Marlboros he would smoke in the course of an hour.

Soprani, the son of a wealthy landowner in the Emilia Romagna region of Northern Central Italy, is a small businessman with reasons to be both proud and nervous. On the one hand sales of his men's and women's fashion lines have jumped to an annual turnover of L23bn (\$15m). Boutiques bearing his name—most owned by him—are scheduled to open in Tokyo, New York, Dallas and Beverly Hills. The new Milan boutiques, which opened in September, sold out three months of stock worth L200m (\$106,000) in its first week.

But the ethereal Soprani ("I don't like finance") admits that he has problems: his staff of four executives and 12 clerical assistants is insufficient and he needs a marketing director. His lack of control over distribution and marketing is worrying and his reliance upon one major clothing manufacturer for much of his production needs to be reduced. He needs to earn more than just consulting fees and royalties on the sale of his lines.

Soprani was originally meant to be a farmer. His parents, who are in the dairy farming business, sent him to agricultural school in the hope that he would take over the family holdings. "They have only just forgiven me for abandoning my heritage," explains a smiling Soprani, only half-joking.

At the age of 20 he decided that he preferred to design clothing and worked for 10 years as an assistant designer not far from his birthplace. Then, in 1976, as the Italian fashions of Versace, Krizia, Armani and others were undergoing a period of acceptance internationally, he came to Milan.

Until 1980 Soprani designed for others, for Basile, Helgett and lesser names. He also designed for Gucci. Then, follow-



Luciano Soprani: "I don't like finance"

ing in the footsteps of his elders in Milanese fashion, he decided to launch his own line in the Spring of 1980. Production was and is contracted to Basile, which has Soprani on contract until 1986. Soprani's royalties on sales of his lines amount to only around 10 per cent.

His first women's collection in 1980 produced L3bn (\$1.6m) of sales to American and other foreign buyers. This was a respectable showing for a man who employed only two assistants at the time and worked from a studio in his apartment.

The Soprani line was started with an investment of L750m which came from Soprani's partner, Dillo Ortigoza, a Venezuelan. As Soprani puts it: "If you have a good partner you don't need to think about finance."

Now, Soprani has a steadily growing reputation, two sets of offices in central Milan and a boutique which sells his lines

the Japanese market.

Likewise, an American investor is financing boutiques in the States, which Soprani says will open in Beverly Hills next February, in Dallas next summer and in New York in early 1986. But at present Soprani does not own the boutiques and gets only 10 per cent royalty on sales by the manufacturer, Basile.

The value of the shops lies in promoting the Soprani name around the world. They are not franchised: Soprani is paid nothing for the use of his name.

This year the net profit of Soprani's business is likely to be around L700m (\$372,000). This is after deducting costs and taxes from the L5bn expected from royalties and consultancy fees in respect of his work for other designers. Overheads are budgeted at L1.6m and advertising/publicity will cost L1.2bn. Soprani says he pays 10 per cent in taxes, which is high for Italy.

The young designer says he knows he must wrest control of distribution and production away from Basile. "As soon as the contract with Basile runs out I will change things," he declares. He has no plans actually to operate a factory—instead he reckons more production can be given over to piecemeal.

Soprani says he has no net indebtedness, but points out that his company's cash balance of around Lire 800m (equal to around one year's net income) tends to be dipped into quite frequently for operating expenses.

Turning from finance to clothes, a glow comes over his face. "My clothes are not just to be worn at parties or balls. They are for the modern woman."

But the "modern woman" who buys Soprani fashion can pay up to \$3,000 for an evening gown or \$200 for a blouse. The prices are "outrageously expensive," says Soprani with a devilish grin. But there is no lack of customers.

If only Luciano Soprani could take more control of his spreading interests—which will take time—then he could lay claim to a larger part of Soprani receipts.

THERE IS one golden rule when it comes to wages and taxes: play the game straight. Pay As You Earn (PAYE) and National Insurance must be operated by limited companies for employees earning more than £3,959 a week or £147.32 a month.

By law an employer must make these deductions and pay them over to the Inland Revenue within 14 days of the end of the month. There are heavy penalties for non-compliance. However tight a business's cash flow, beware of using this money in the business in the hope of having enough when the time comes—it belongs to the Government, not the company.

Work out how much must be set aside and, ideally, place it on deposit to earn a little interest. Much work can be saved long term by persuading employees to be paid by monthly salary cheque.

Companies have been

The necessary discipline of setting money aside



WAGES AND TAXES

known to negotiate with the Inland Revenue to delay payment. Sometimes a local enterprise agency may have helped such firms to do it. These are exceptions: any company sailing so close to the wind must be in trouble anyway and should be taking urgent advice from its

accountant and bank manager.

Standard forms are available from the Inland Revenue which provide tax tables, and help to calculate the amount to be deducted. If preferred, a wages record system can be bought instead, such as those marketed by Simplici or Kalamazoo. Remember, in addition to these deductions an employer's own National Insurance contributions must be added. As with Value Added Tax and PAYE, payments are something of a chore but are probably the most persistent and recurring legal obligation faced by a small business. A wages slip, showing deductions, is also legally required.

Because more than 40 per cent of any employee's gross wages have to be paid in tax and National Insurance many employees are disinclined to work overtime because they feel "it's not worth my while." Small business owners—because of the more close-knit nature of their business—consequently come under more pressure than others from employees to pay any overtime "on the side" and untaxed.

Don't do it: it's illegal and ultimately it is the employer, not the employee, who is responsible for tax that has not been deducted. Scrupulousness with setting aside adequate funds will ensure that an employer avoids becoming one of the large number of small companies that go bust and whose owners are in the bankrupt court because the Inland Revenue has forced the issue.

IHF

Wrong structure brings a close shave

BY IAN HAMILTON FAZEY

KEVIN SHAVE says that one of his many mistakes when he set up his own small business was to form a limited company.

But at the time he was sure he needed to in case one of his designs went wrong and he faced being sued.

Shave, a mechanical engineer with a talent for electronics, was designing software packages for industrial robots and making the interfaces that enabled them to work. He started Shave Electronics in 1980 with £5,000 from his father to buy an oscilloscope and other necessary equipment.

Now, he realises that he should have set up as a sole trader and taken out public liability insurance. That way he would not have fallen into what he calls the "tax and National Insurance trap."

For to pay himself realistically—and that was only £5,000 a year—he had to make much more just to meet his legal PAYE obligations and National Insurance contributions. But had he been self-employed, his turnover was so low he would not have been paying tax at all by the time his running costs and personal allowances had been deducted. Then he might have avoided a crisis in 1983.

On the other hand, that crisis transformed his life, for Shave and his wife Lynda are now partners in a thriving business,

Microman Computers of Rainford, St. Helens. They are doing well enough not to mind talking about past mistakes.

Another mistake was in the choice of accountant, a family friend who had once uncovered a clever fraud in a large company. But while he was a highly experienced retired auditor he was not used to small business. Their present accountant, who is, soon spotted why Shave Electronics was doomed to fail.

The basic problem was fixed-price contracts in a highly unpredictable high technology field. Shave tried to build flexibility into his estimates but always found himself having to accept what he could get for the work—he had an overdraft and needed any money there was.

Decline was not for want of hard work. Shave wasted no time but slippage occurred in schedules because plant or people—always someone else's employees—would not be ready at factories when he arrived.

He also suffered because his customers' specifications were never tight enough to cover the inevitable and unforeseeable "bugs" that afflict even simple microprocessor applications when they reach the factory floor.

The crunch came when he decided to stop paying himself out of revenue, dipping into £5,000-worth of savings in

order to live.

"His Barclays bank manager spotted what was happening and suggested a chat. I did Shave plan to guarantee his company's overdraft?"

The Shaves went to see the St Helens Trust, the first enterprise agency in Britain and a model for the hundreds that have since followed. They were put in touch with the Government-run Small Firms Service (SFS).

Free consultancy taught them a technique well-known to large companies but equally applicable to any size of business. It consists of taking a "present position audit" of strengths and weaknesses in markets, management, and corporate and financial structure.

This highlighted the impossibility of making money out of robot control systems, however much Shave preferred the work to a potential bread-and-butter market he had hardly tapped—repairs to electronic boards and circuits.

A mailshot soon brought in more repair work "but there were some horrible jobs," Shave says. So even though added value was high he started looking for more interesting things to repair. The exploding market in personal microcomputers and small business machines was soon staring him in the face.

Some service companies had already failed.

He thought further about his own strengths, especially a knowledge of small machine computing that had led him to run night school classes in the subject. Why not sell them too, concentrating on the small business and serious home markets, and catering particularly for people wanting to build on powerful but moderately priced micros such as the Acorn BBC B? With this machine standard in schools, there was also a good-service market there too.

It took only six weeks to get the Microman Computers venture up and running. The SFS helped the Shaves to form a partnership with Lynda in charge of book-keeping and administration. Working capital came from a Barclays overdraft facility, secured on their house.

Microman took a small unit adjoining Shave's workshop on the Rainford Industrial Estate as a showroom and opened in time for last year's Christmas rush. It was miles from the nearest High Street but that proved an advantage, since most potential customers were serious and there was time to spend with them. The Shaves budgeted sales of £4,000 in their first month but took £30,000, almost all the stock they could get. They are well on the way to turning over £200,000 this year.



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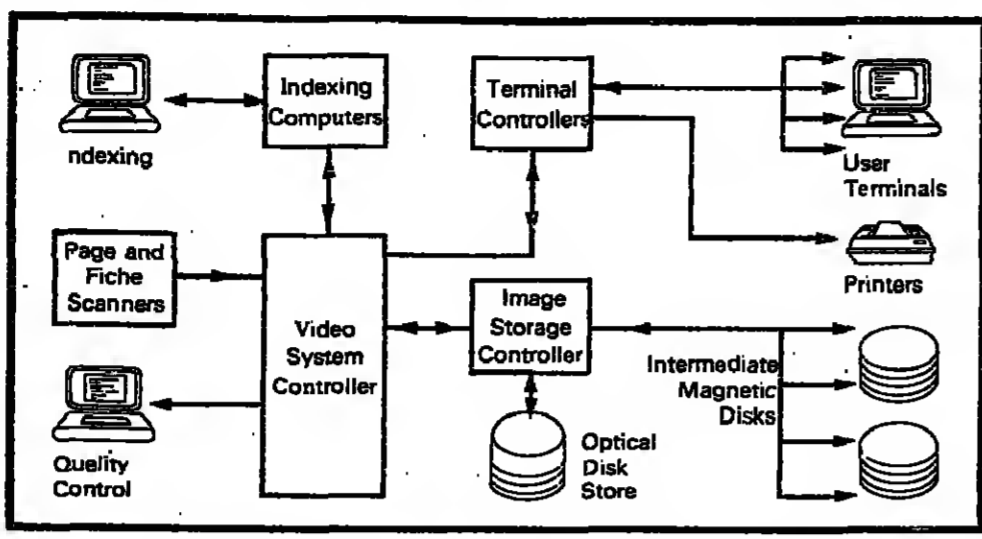
EDITED BY ALAN CANE

U.S. LIBRARY OF CONGRESS PILOT PLAN TO STORE 1m PAGES

A little light reading may fit the bill

BY GEOFFREY CHARLISH

THE U.S. Library of Congress, which has the world's largest collection of stored knowledge is conducting a pilot project in which up to 1m pages of text will be kept on optical disks for immediate access by users on high definition TV screens.



With over 80m items, the Library has a gigantic archival/access problem—a significant number of the documents are in an advanced state of deterioration. Much of the material added to the library each year (it is growing at 10 items per minute) is printed on acidic paper, the fibres of which will rot within 25 to 100 years.

and optical disk, the respective figures are 150, 70 and about 5 sq mm. A single-sided 12 in digital optical disk can hold between 10,000 and 20,000 pages of text, depending on the resolution needed.

High use current periodicals are being given initial emphasis in the pilot period. Using a production line approach, some 0.5m images a year can be captured. A page scanner is used that can deal manually or automatically with pages up to 14 x 11 in in size at a resolution of 300 lines per inch.

Users work from high resolution (200 lines per inch) display terminals. When a request is keyed in, the computers process it and tie it to the image coded on the disk, after which instructions are transmitted for the appropriate optical disk to be extracted and the required images played back.

OPTRONICS DEVELOPS A METHOD TO PHOTOCOPY WITHOUT DAMAGE

How to copy old manuscripts

OPTRONICS IN Cambridge has solved a problem of copying pages from old manuscripts and books without damage. Traditional photocopying may damage old books—ultraviolet light used in this process can destroy paper and fade ink

while pressing a book against a flat plate can bend or break its spine. In collaboration with the British Library, Optronics has developed an image digitiser which can scan each page electronically. The book is placed in a V-shaped holder

which ensures that the spine of the publication is not bent. The scanning head is an array of charged coupled devices—electronics components which can convert images into a series of digital pulses. It can take only eight to 10 seconds to scan a page.

The electronic signal can be fed to a plotter which will produce a copy of the original page. As well as its applications in libraries, Optronics believes that the image digitiser could find application in the office for information and retrieval systems.

Data, words; now software to process ideas

SOFTWARE authors are driven these days by two ambitions, one technical, the other commercial. Technically, they are looking for ways to develop the next generation of personal computer programs, software that processes ideas rather than numbers or words.

Commercially, they are hoping their efforts will prove as financially rewarding as Visi-Us Corporation found "Visicalc" or Lotus Development found "1-2-3."

but Michael Bloor prefers the simple, low-cost approach: he insists the program has to work on a 64Kb computer with a low-resolution screen.

They have developed a program called "Progress," designed to automate working habits and procedures. This notion is not new; it has elements in common with Caxton's "Brainstorm." Software Sciences office group automation system and Xerox's screen icons. But Phoebé has put it all together to create a powerful and novel package selling for only £500 (single user micro) or £1,000 (multiuser system, unlimited numbers of terminals).

Professional Personal Computing. The Bloors are computer specialists now resident in Ireland and with a background in financial and business consultancy. The seeds of "Progress" were sown in their observation that one of their clients, a medical supplies manufacturer, had to generate 102 pieces of paper completed by 250 different people for its simplest product, a sterile polythene bag.

Why companies buy microcomputers. In other words, getting away from dependence on the mainframe. Typical comments included: "We are fed up with the mainframe; it is time consuming and it is never available when everybody's desk."

Why companies buy microcomputers

WHY DO companies buy personal computers? Chiefly to facilitate the introduction of new applications, according to a just-published market analysis.

After new applications, companies were chiefly concerned to improve the speed of work, whether this meant the automation of manual tasks in small companies or the elimination of the well known delays in getting access to the mainframe in large corporations.

Other but less significant reasons for buying micros included the reduction of costs and improvement of profitability, the low level of training needed and because for a low outlay, they put computing on everybody's desk.

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FT COMMERCIAL LAW REPORTS

Director can sit on commodity appeal board

BREMERHANDELSGESELLSCHAFT mbH v ETS SOULES ET CIE AND ANOTHER
Queen's Bench Division (Commercial Court); Mr Justice Mustill; October 11 1984

AN ARBITRATOR is not precluded from adjudicating on a Grain and Feed Trade Association (Gafta) appeal arising out of the 1973 U.S. embargo on soyabean exports on the ground only that his employer's parent company is a potential party to a similar arbitration, or that he adjudicated on, or appeared in, an earlier dispute arising out of the same circumstances.

Mr Justice Mustill so held when refusing an application by Bremerhandelsgesellschaft mbH for an order removing Mr Anthony G. Scott from his position as member of a board of appeal of Gafta in an appeal from an arbitration award made against it in favour of ETS Soules et Cie.

MR JUSTICE MUSTILL said that in November 1973 Bremerhandels sold U.S. soyabean meal to Soules, to be shipped monthly between April and September 1973.

During June 1973 serious flooding took place in the Mississippi Basin which greatly disrupted the supply of soyabean meal. Towards the end of June an embargo was placed on exportation. It was removed on October 1 1973.

The embargo led to many claims for damages. Hundreds of arbitrations had been held. Many had been the subject of awards by Gafta boards of appeal, which were comprised of shippers, brokers and intermediaries, dealers and manufacturers.

Since the number of people with the qualifications and time to sit as arbitrators was limited, several had sat in dozens of arbitrations at first-tier and appellate level.

Bremerhandels failed to make full delivery under its contract and was ordered in arbitration proceedings to pay Soules \$85,129. It gave notice of appeal, and a board of appeal was constituted in accordance with Gafta rules. Mr Scott, who was a member of that board, was director of a wholly owned subsidiary of Andre et Cie of Lausanne, one of the largest commodity houses in the world.

It was commonplace in the commodity market for the same parcel of goods to be sold and resold a number of times, establishing a string of consecutive contracts, with the same commodity house appearing more than once in the series of dealings.

In the present application Bremerhandels sought to remove Mr Scott on the ground that he

was "not in a position to act judicially and without bias" and was accordingly "guilty of misconduct." It said it had reason to believe that in unfulfilled transactions in June 1973 and other relevant months, Andre was primarily in the position of buyer and there was a risk that Mr Scott would lean towards a finding favourable to buyers.

There were three material situations in which the High Court had power to remove an arbitrator for "misconduct" under section 23 of the Arbitration Act 1950, namely: (1) where he suffered from "actual bias"; (2) where his relationship with the parties or subject matter created an evident risk of partiality ("imputed bias"); and (3) where his conduct showed lack of talent, experience or diligence.

In the present case the allegation of misconduct was of the second kind.

When considering imputed bias, the court did not enter into the existence of actual bias. The test was whether there were grounds on which a reasonable man would think that the arbitrator could not or would not fairly determine the issue.

Although the reasonable man was not to be credited with inside knowledge in the sense of being privy to the arbitrator's real characteristics which were not at the time available to him, nevertheless the standards of the complex outsider. The reasonable man was to be put in the position of the complainant, having ascribed to him all the complainant's knowledge and experience of the trade, and the manner in which disputes were habitually resolved.

The manner in which the court applied the rule that inside knowledge was not to be taken into account must vary from case to case, and in particular must depend on whether the risk to be assessed related to the possibility that the proceedings had already been tainted with injustice or that injustice would arise in the future.

When adjudicating on the apparent fairness of a completed procedure, the court would not consider evidence vindicating the arbitrator by showing that whatever outward appearances might have been, the true facts were innocuous. Apparent fairness must be judged in the light of the facts as they would have appeared to the reasonable man of the time

when they mattered, ie when the procedure was in progress.

But if the matter came before the court when the arbitrator had yet to adjudicate, the facts emerging formed part of the corpus of knowledge in the light of which the reasonable man would judge the risk.

Was there a real risk that unconsciously Mr Scott, influenced by a desire to favour Andre, would fail to assess the evidence on its merits in the hope that a future board, on which he would not be sitting, might be influenced in a dispute involving Andre?

The reasonable man would not apprehend such a risk. Nor would he foresee a risk that Mr Scott would be consciously activated to do any such thing.

If there had been a significant pattern in the outcome of previous arbitrations, with sellers tending to lose when Mr Scott was sitting and to win when he was not, his young record might cast a shadow on his impartiality. But the opposite was the case. Intermediate sellers of the June position had consistently lost whoever was sitting, because they failed to satisfy a test laid down by the courts.

There was no reason why, at this late stage, with so many cases decided or settled, that Mr Scott should suddenly be struck with bias for a motive which would be speculative in the extreme.

Bremerhandels advanced an alternative proposition, that a person involved in a dispute arising from a particular situation should not act as arbitrator in another dispute connected with the same situation.

On that basis all persons whose firms or companies had positions in U.S. soyabean meal between June and September 1973 would be disqualified from acting as Gafta arbitrators in respect of any dispute arising out of contracts for those months.

If the proposition were correct, scores of awards would now be tainted by misconduct, and it would be hard to man the arbitral tribunals needed to dispose of all the outstanding disputes.

That would not be a material consideration if there were any apparent unfairness, because then the interests of justice would demand Mr Scott's removal however inconvenient that might be for Gafta and the parties.

But the argument was rejected. The man in the street would have

no prior opinions about Gafta, but the parties had not contracted for the man in the street. They wanted the man in the trade as their arbitrator precisely because his mind was not a blank slate. A prior commitment to a point of view on an set of evidence and arguments could not in itself be fatal to future participation as arbitrator, for otherwise nobody who had ever acted in a 1973 soyabean meal dispute could sit again on a similar dispute.

An arbitrator was required to look at each case afresh. There was no reason to assume that Gafta arbitrators in general, and Mr Scott in particular, would be incapable of that.

If there were any doubt it would be put to rest by what had happened in the past. The outcome of Gafta arbitrations had been remarkably consistent. There had been none of the erratic results which one would expect if board arbitrators were swayed by personal interest and preconceptions, some pro seller, some pro buyer. There was no reasonable ground for apprehension.

Bremerhandels also complained that Mr Scott was at fault in sitting as arbitrator having become an advocate for Andre before a board of appeal in 1981.

The proposition was that nobody who had acted for his own company should subsequently sit as arbitrator in respect of a dispute connected with the same subject matter. It was said there was a risk that he would become embued with his employer's point of view and would thereafter be incapable of deciding the question judicially.

Why should someone who had argued a point for his employer become more subject to ideas from that employer if he had already argued the same point for someone else? The hypothetical reasonable man would not apprehend such a risk.

The whole of the criticisms against Mr Scott were looked at together in the light of the test of the reasonable man. Bremerhandels totally failed to prove its case. There was nothing to suggest that it had been unfairly treated in the past, nor was there any risk appreciable to the reasonable man that it would be so treated in the future.

The application was dismissed. For Bremerhandels: Nicholas Leigh-Jones (Herbert Oppenheimer, Nathan and Vanduyck). For Soules and Mr Scott: David Grace (Middleton Potts and Co.).

By Rachel Davies Barrister

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Loans	5,831,234
Deposits	5,633,120
Shareholders' equity	417,226

FIRST CITY BANCORPORATION OF TEXAS, INC.	
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September 30, 1984	
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Loans	11,427,799
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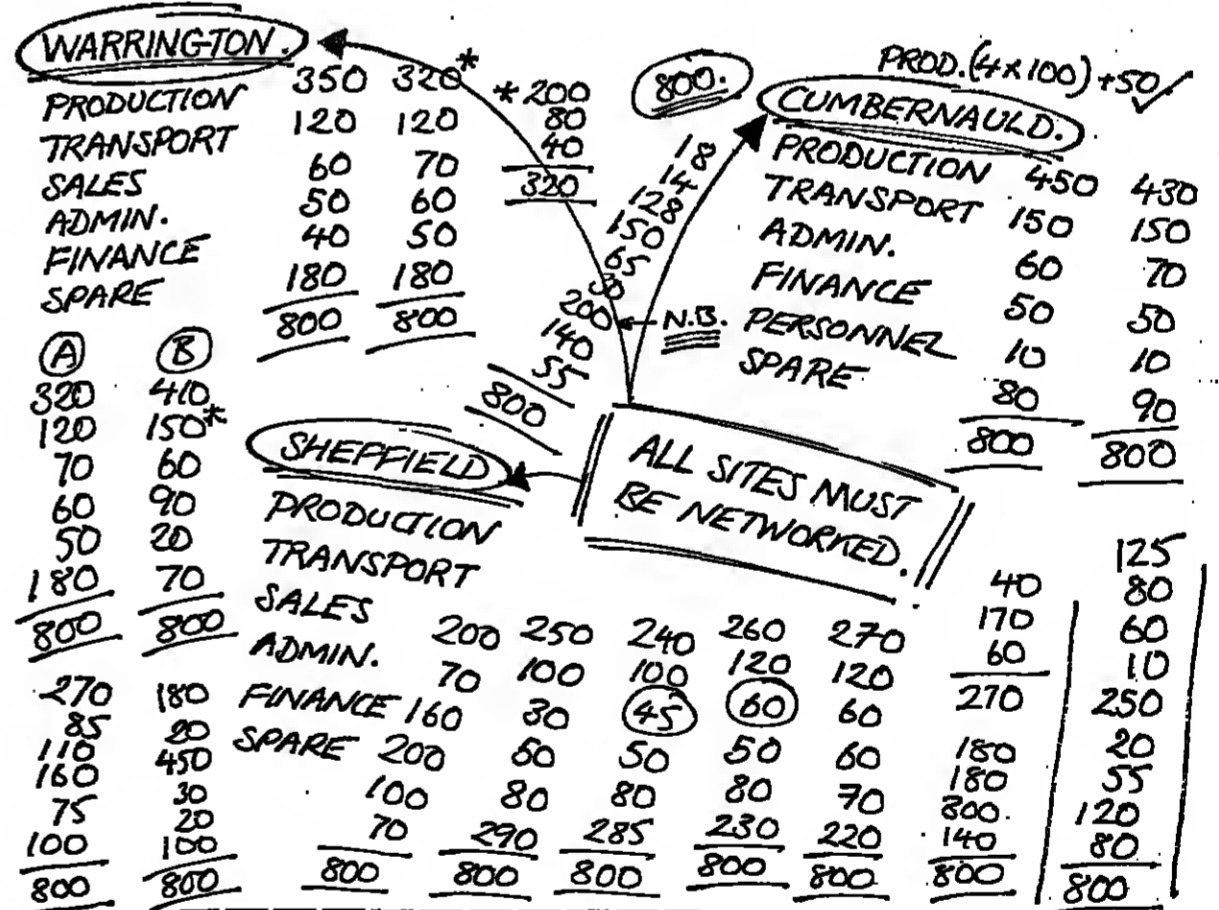
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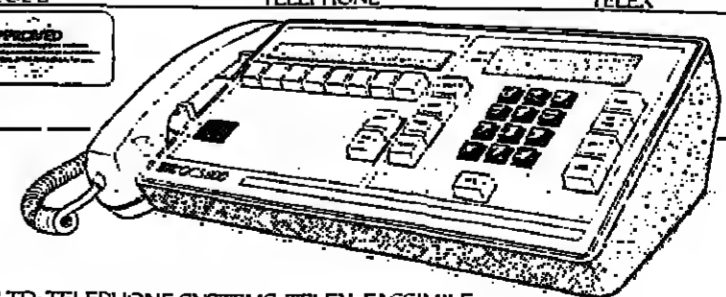
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THE ARTS

City Art Gallery and Ikon Gallery, Birmingham/William Packer

The great British art show hits the road

Great Expectations/Manchester

B. A. Young

Great Expectations, at the Royal Exchange, Manchester, gives us all the Dickens bits we usually remember, except Wemmick's Aged P. at the church. The story, shorn of its literary adornment, comes out terribly melodramatic, and is played so. The revelation that Magwitch was Estella's father is as hard to swallow as the last scene of Measure for Measure. But the evening is continuously exciting in its way, and there is some colourful playing - Avril Elgar's Miss Havisham, as mouldy as her wedding-cake, Wolfe Morris's Jaggers, the Bar incarnate.



Valentine Pelka as Percy Bysshe Shelley with Fiona Shaw as his sister Mary in Bloody Poetry which opened last night at the Hampstead Theatre. Howard Brenton's play was enthusiastically reviewed here by Michael Coveney on October 8 when seen at the Leicester Haymarket. It is a phantasmagoric dream play about the artist in exile - from home and respectability - and concentrates on the friendship of Byron (played by James Aubrey) and Shelley in Geneva and Italy. The production from the touring company Foco Novo is directed by Roland Rees and designed by Poppy Mitchell

With the opening in Birmingham last week of The British Art Show, the Arts Council confirmed what had always been its intention, to put into orbit around the country at regular, if necessarily extended, intervals a major survey and review of current British painting and sculpture.

And I must say at once that it was a demonstration to be greeted, on my part at least, with quite as much relief as interest; for I had been responsible five years ago, almost to the week, in an exercise like this that had been two years and more in the preparation, for the very first British Art Show - and who would wish to go down, even in the smallest history of modern British art, as the one who had stifled it?

But the event proved otherwise, I am delighted to say, and a great reassurance. The world has moved on considerably, of course, in these five years past, our art world with it, and change itself can be no surprise. And the Show, too, has been set about in very different, indeed fundamentally different, a manner. I too had been afforded the Arts Council's practical expertise and logistical scope; but where I had been sole judge, arbiter and court of appeal in the process, able to dismiss criticism as mere blather, accepting it as a personal responsibility, here was a jury of three to make the selection, to confer, argue and so to agree upon each particular judgment, ultimately, of course, to take on a joint responsibility to override all private misgivings.

reputation for the shows and projects it initiates, and for the work it brings into the city from the world at large, responsibly administered by its extremely talented young staff. The Arts Council, however, has lately halved its support grant in the fond hope that the city will rally round it and do what it can do. For the want of some £50,000 a year the Ikon may close, and yet a better bet for worthwhile local sponsorship of the arts by local business and the City itself would be very hard to find.

It was the Ikon that gave me that first reassurance, for it is what is on show there, most particularly the display on the entrance floor, that establishes the link, unconsciously I have no doubt, with my own choice of five years ago. No exhibition of this kind can ever be definitive, for every 50 names will suggest 50 more, but it can hope to be representative.

Such was my experience of "The British Art Show" as I contented myself with the sense that whatever the differences might have been in detail, I too this second time would have found myself covering this ground. A younger generation has declared itself, which was in the art schools then and must be acknowledged now, the newer figurative expressionism in painting, romantic - Therese Oulton, symbolic - Adrian Wisniewski, satirical - Jock MacFadyen, monumental - Stephen Campbell, and in sculpture a new school of symbolists and surrealists - Alison Wilding, Bill Woodrow, Antony Gormley, Tony Cragg.



Stephen Campbell's "The Building Accuses the Architect of Bad Design" (top) and Adrian Wisniewski's "My Jewish Brother"

The show is not about the last word, the latest thing, but rather front, on which an artist can continue a career of development and renewal, whatever his preoccupation or critical allegiance. And if abstraction has been left rather to the older generations, it also supplies some of the show's purest, most hedonistic pleasures amidst the bustle and excitement all around, the magisterial simplicity of Alan Charlton, for example, and John Carter's cool, bright, elegantly resolved relief. But it is the exquisite installation of Bob Law's gnomic pieces, simple, small, infinitely ambiguous, that will offer me my lasting memory of the second British Art Show, as I saw it in Birmingham.

Chilingirian Quartet

Dominic Gill

"One of the great string quartets of our day," which The Boston Globe judged the Chilingirian to be last year, is pitching it a bit high. The Chilingirian are a serious and competent ensemble notable by and large for performances of unexceptional quality. Their recital on Sunday afternoon in the Elizabeth Hall - the second in a series of three programmes of Mozart, Bartok and Schubert - opened with a flourish, the R499, and ended with Schubert's G major D887.

David Starobin/Wigmore Hall

Andrew Clements

David Starobin is a young New York guitarist intent on bringing his instrument face to face with contemporary music. Already he has more than 125 new works dedicated to him, which he recital at the Wigmore Hall on Sunday presented a sample of those, including the first performance of a piece by Milton Babbitt.

The GLC announces new plans for the Hayward Gallery

The Greater London Council announced their plans for the Hayward Gallery on the South Bank yesterday. Their spokesman, Mr Peter Pitt, chairman of the GLC's Arts and Recreation Committee, said that there were no legal problems concerning the takeover of the lease from the Arts Council in April 1985.

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday, A selective guide to all the Arts appears each Friday.

Opera and Ballet

Paris: Ballet Evénings at the Paris Opéra: Shostakovich's First Storm, a creation by Lucinda Childs, the American choreographer who has already worked with the Paris Opéra Ballet search Group, with Elisabeth Fléty, Jean Guisard, Yannick Stéphane and Olivier Pélissier, to be followed by Stravinsky's Sacre du Printemps in Maurice Bejart's version stripped of all artifice and Pinesque's Les Femmes d'Alger, with Elisabeth Fléty, Jean Guisard, Yannick Stéphane and Olivier Pélissier. The evening ends with Serge Lifar's Leare in Picasso's decor and costumes, a ballet accompanied only by percussion, leaving human bodies to express the melody, with Patrick Despond/Charles Jude/Jean-Yves Lorenson as Leare. Palais Garnier, Evenings and 6 matines. (742.57.50).

ITALY: Theatre: Teatro Verdi Saint-Saens's Samson et Dalila sung by Carlo Cossutta and Maria Luisa Nave (Thu), (831949). Venice: Grand Teatro la Fenice: The Ballet company of the Arena di Verona dancing to music by Frank Zappa and Pink Floyd. (Tue).

Imeneo/Sadler's Wells

Andrew Clements

The Handel Opera Society has returned to Sadler's Wells for its annual season - eight performances until November 10 of Imeneo and Admetos. The new opera made a very contrasted couple: Radamisto (1730), fiercely dramatic, was a spectacular success at its premiere; Imeneo (1738), Handel's penultimate opera, a hybrid work, half opera half pastoral, hopped badly at its first performance and was not seen again in Britain until 1961. It was Imeneo which opened the season on Wednesday, conducted by Charles Fernoy, and directed by Michael Rimmison.

Advertisement for Concord watches, featuring an image of a watch and text: 'Concord Ceramion, water-resistant quartz watches. 18 kt. gold or steel and gold measure time with elegance and Swiss precision. CONCORD'.

FINANCIAL TIMES

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Tuesday November 6 1984

Israel's price clampdown

THE MOST DAMAGING side-effect of inflation is that economic reality drifts out of focus. In Israel, struggling painfully to rid itself of the drug, this disorientation applies even to the question of the selected cure. What is announced as a three-month wage and price freeze, turns out on closer inspection to be a freeze in shekel prices but only a reduction in the degree of indexation of shekel wages. This reduced indexation is said to imply cuts in real wages. But wait a minute. Frozen prices supposed to be a benefit? And doesn't this mean that real wages will still be rising?

The package put together by the coalition government of Mr Shimon Peres may be exploring the limits of what is considered politically possible in Israel. Little more than a few weeks ago, a new lid was screwed on top of an inflationary pressure cooker. Belief in the shekel as a stable currency will not be re-established by such a three-month clampdown. It requires proof of a fundamental change in attitude by the government towards the use of inflation as a source of finance. This means stringent commitment to control money supply coupled with an equally stringent commitment to limit the government's budget deficits to what can be responsibly financed at home and abroad.

Imports

The Government recognises this and hopes that the wage restraint and the price freeze will secure it a period of calm, during which it will be able to tackle the underlying budgetary problem. The task looks daunting one because of the proportion of the budget already earmarked for debt repayments or devoted to defence. Painful cuts in the remaining civilian budget have already been identified. They will involve removal of the subsidies on fuel, electricity and transport, following cuts that have already taken place in subsidies on basic foodstuffs.

These cuts contain the stuff of the first argument that will disturb the calm. The American union federation insists that a price freeze rules out the removal of subsidies that will

lead to price rises. For the moment the cabinet has accepted this argument. But in doing so, it is, of course, denying itself the chance to provide fiscal substance to the claim that inflation is under control. The next argument will undoubtedly concern imported goods. It is hard to see how importers can freeze the price of shekel imports unless the rapid depreciation of the shekel exchange rate is brought to an abrupt halt. A black market in imported products promises to be an inevitable feature of the price freeze.

Until the Israeli Government comes up with the required fiscal and monetary austerity, a cynical view is in order: it is that this package is the gesture needed to justify the recent American decision to transfer immediately all \$1.2bn in U.S. Government grant aid budgeted for Israel in the fiscal year that has just begun.

The *de facto* economic dependence of Israel and the U.S. is a relationship every Israeli government struggles to maintain. It probably lies at the root of the country's inflation problem in that it has created an unspoken expectation that the U.S. will bridge the gap between production and consumption. The country has never developed a fierce pride in its economic independence to match its military one.

The cure to Israeli inflation requires the country to embrace one reality or the other. Either the Government should reconsider the option of "dollarising" the Israeli economy and make official and build upon a practice which many Israelis use to retain their sanity in a system of spiralling shekel prices. Such an approach would immediately make clear where U.S. largesse ended and where Israeli self-sufficiency would have to begin.

Or Israel can stress its independence in its quest for monetary stability. The best route here would be to invite the International Monetary Fund to cast its practiced eye on the country's accounts and to guide the adjustments needed to make a currency reconstruction credible.

Filling a gap in State education

THE SUPPORT voiced by 10 big companies for a new independent college to produce so-called information technologists is a rebuke to the UK Government. There would be no need for the college if the state's further and higher education and training activities, costing about £5bn a year, were seen as capable of supplying the skilled staff the companies believe they need to exploit the new technology.

Their invitation to the Government to join them in financing the additional courses and research programmes represents the offer of a hiding to nothing. If ministers refuse to do this, they are effectively free to charge of blocking industrial recovery by perpetuating the lack of an appropriately skilled workforce. By agreeing they would in effect admit their inability to guide the state's hugely expensive provision so as to satisfy an important economic need.

Government has only itself to blame for the dilemma. It has been common knowledge for years that the state institutions are not supplying the skills required by a society increasingly dependent on harnessing technological advances. Ministers have nevertheless preferred to tinker politically rather than deal managerially with the shortcomings of the educational and training networks whose activities, though financed predominantly by taxpayers, are largely determined by their staff. Cutting educational institutions' budgets while leaving them relatively free to decide where the savings should fall has evidently resulted in a worsening shortage of the up-to-date laboratory and workshop equipment essential for developing high-technology skills.

Definition

If the Government is awakened to its need to take effective action, the companies' offer is to be welcomed. But ministers would be well advised either to refuse or to accept on the basis of the present plans for the new college which are sketchy to say the least.

While industrialists may rightly claim they are hampered by a shortage of information technologists, they have not yet provided any clear definition of what those technologists must know, understand and be able to do. In the absence of the definition, it would hardly be possible for the proposed college to devise courses and criteria

for recruiting teachers and students which could be relied on to produce the requisite people any better than the existing institutions. No engineer likely to be useful in industry would recommend investment in such a triumph of hope over experience.

A prime reason for the educational and training networks' failure to deliver is their lack of what the 1980 Finniston Report called an engineering mindset which ensures that desirable aims are crystallised into clear objectives, determines whether and if so how these might be achieved, and develops the mechanisms to achieve them. Without such a preliminary programme of engineering design and development, new initiatives either within or independent of the existing institutions would have little chance of producing the skills needed to exploit new technology to the full.

Contribution

Since nine of the 10 companies interested in investing in the college are centred on engineering, they would do better to devote a commensurate amount of their engineering expertise to defining their manpower needs clearly in terms of knowledge and skill, and helping the education and training services to devise means of developing them.

It would then be up to government to grasp the nettle and reshape the state networks so that they supplied the new courses, preferably within their normal budgets. One possible vehicle would be institutes concentrating on new technologies and attached to universities or polytechnics, to which industry might contribute equipment as well as the part-time services of staff to enrich the teaching with up-to-date practical experience. Such an institute has been proposed to ministers by Salford University, although its plan also is not underpinned by preliminary engineering design and development.

The necessary detailed and demonstrably practicable blueprints could not be drawn up quickly. Even when they were in being the government might still prove unable to adjust the state provision accordingly, and so leave no alternative to expensive independent ventures. But it is better to invest time in devising workable plans than in busy action which has at best the chance of achieving its purpose.

U.S. GOES TO THE POLLS

Reagan moves in for the kill

By Reginald Dale, U.S. Editor, in Washington

THE U.S. votes today in what President Ronald Reagan has declared the most important election in half a century. And yet the same Mr Reagan has not really defined what the election is about — other than more of the same ("four more years").

Assuming, as all the political commentators do, that he wins, Mr Reagan will spend the next four years "running for history," as Dr Henry Kissinger puts it. If he makes it through to the end, he will be the first U.S. President since Eisenhower in the 1950s to complete two full terms in the White House.

He is widely popular and he seems to reflect, in an instinctive sort of way, the more conservative and patriotic mood of today's America. He represents a sort of Americanism in the way the President Charles de Gaulle embodied a certain kind of Frenchness.

But many of the millions of Americans who turn out to vote for him today will do so almost regardless of what he has actually said — or not said — over the last few months. It is still not clear what he sees as his place in the history books — although he certainly wants a favourable mention — nor has he made more than the vaguest allusion at spelling out his plans for a second term.

There is some truth in the Democrats' assertion that Mr Reagan has polarised the nation. Blacks and the poor, will vote in massive numbers against him, while perhaps as many as two-thirds of white males will vote for him. Although some of the latest polls show a majority of women in favour of him, their enthusiasm is still much less than that of their brothers, sons and husbands.

Ms Geraldine Ferraro, the history-making vice-presidential candidate, still, despite her defeat, believes that a "hidden factor" of women's votes could unseat Mr Reagan.

In polarising the electorate, however, Mr Reagan seems to have managed to draw the lines so that the majority is on his side. He has taken the traditional, Mondale Democrats regard as "selfish" values respectable. It is all right, he is telling the country, to be rich and patriotic.

At the end, he is Mr Reagan's legacy. Whether he agrees with the details or not, he has given conservatism — even the wider forms of it — a licence to flourish.

The nature of the election campaign has been largely dictated by the issues. There has been about moods and feelings rather than issues. Mr Mondale's sincere and dogged attempts to raise what he sees as issues have either disappeared or been dismissed as boredom or backfire. Even if, by some quirk of fate, Mr Mondale wins today, it will not be because he has inspired the nation. And that it has to be said, is largely his fault.

It is astonishing to remember — with the aid of a little prompting — that only about a year ago, Mr Mondale quite often ran ahead of Mr Reagan



Mr Reagan (left) and Mr Mondale: almost mystical appeal versus traditional allegiances

in the polls. Even the hardly lamented former astronaut, Senator John Glenn, of Ohio, beat Mr Reagan in six out of seven trial heats last autumn.

The Republicans are now magnanimously giving Mr Mondale credit for honesty, decency and sincerity. But he is playing to the wrong audience. As the focus of the country's dynamism shifts to the largely trade union-free Sunbelt, and away from the old industrial Rust Belt of the Great Lakes and the North-East, the traditional Democratic constituency is shrinking. The once formidable New Deal coalition — made up of the "solid" Democratic South, the intellectuals, the minorities, the liberals and the unions, has probably gone for good as the basis for a national majority.

It is in that sense that today's poll probably marks a historic watershed. In seeking to rebuild that coalition, Mr Mondale is almost certainly the last of an era of politicians who have dominated Democratic politics since the election of President Franklin D. Roosevelt in 1932. That is what is behind Mr Reagan's claim that today's vote could set the seal on an "historic electoral realignment."

Anyone travelling round the country and meeting Mr Reagan's many supporters will hear the same tale. Trade unions are hopelessly out of date ("see where they got England"), prosperity comes from free enterprise and "opportunity," not government handouts, and America should "walk tall" (Mr Reagan's phrase) rather than whine about problems — as Mr Mondale is unfairly seen as doing.

Even people who should logically vote Democrats have been caught up by Mr Reagan's enthusiasm. A poor, Hispanic immigrant from the Dominican Republic announced with total conviction at the weekend that

there would not be another recession because Mr Reagan "will not allow it."

As it was Mr Mondale only narrowly won the Democratic nomination after a challenge from Senator Gary Hart of Colorado that unnerved and almost overthrew him. Mr Hart's "young upwardly mobile" supporters, the notorious "Yuppies," were now fixed en masse to Mr Reagan's banner.

If Mr Hart had been just a little more charismatic, he might actually have won his party's nomination. He certainly put his finger on the generational faultline.

Win or lose today, the issues

it is for a national candidate to be a star performer on television, which, with rare exceptions, he is not.

And yet, Mr Reagan's appeal in many ways founded on illusion. If the economy were still in recession, he would not be where he is today. He attracts a sympathetic response to his well-worn question: "Are you better off than you were four years ago?" and he seems to convince a surprising number of people that he has somehow abolished the business cycle — that his economic Reich will last for a thousand years.

It is a fair bet that once the next recession comes, as it inevitably will, large numbers of

On the defence front, Mr Reagan claims to have restored American "strength," for which he received a clear mandate in 1980 by rapidly increasing military spending. But the military value of many of his projects — the MX missile and the B-1 bomber for instance — is at best debatable. There is no real reason to believe that he has made America better prepared to fight a war, other than by improving morale and establishing a more assertive image. But that, to many voters, seems to be enough.

His one military triumph — last October's invasion of Grenada — played extraordinarily well in the public opinion polls but it was hardly, in objective terms, a decisive military victory.

All that leaves many Americans — though a minority — deeply concerned about what will happen in the next four years if Mr Reagan is re-elected. He will be freed from direct electoral accountability — in that he cannot run again for election — and there are fears that he will prove more intransigent in the hands of his coterie of right-wing advisers.

Medical opinion is divided, but there is a considerable body of evidence that suggests that Mr Reagan will decline physically and mentally as he enters his mid-70s — he is now 73.

Many of his critics fear that Mr Reagan will use a new "mandate" to step up military activity in Central America. Washington has recently been rife with wild rumours that an invasion of Nicaragua will shortly follow Mr Reagan's re-election. If nobody else does, the Nicaraguans certainly believe it and, of course, they are meant to.

The polls show that military adventurism in Central America — or anywhere else — would be enormously unpopular. On

Individual foreign policy issues, most notably on Lebanon, the general public tends to disagree with Mr Reagan on specifics while approving his overall, assertively muscular approach.

The Democratic candidate has tried hard and largely failed to make foreign policy a real issue. Yet Mr Reagan has no real foreign policy success to his credit — not at least anything comparable to the Salt 2 nuclear arms control treaty or the Camp David peace agreement negotiated by his predecessor, President Jimmy Carter.

There is a real question-mark over the future of U.S. relations with the Soviet Union and how they might be affected by Mr Reagan's enthusiasm for a "Star Wars" space-based defence system. Mr Reagan indeed wants, as he says, to ease East-West tensions, but it is hard to see him doing it on anything other than his own terms, and that may not prove possible.

All the polls, however, show that Americans prefer Mr Reagan's often nebulous concept of foreign policy to the detailed specifics put forward by Mr Mondale. Mr Reagan is viewed as a "strong leader" by far more people than is Mr Mondale.

All round the country, Republican candidates for Congress are shamelessly running on his coat-tails. It is clear that Americans, after the agonising over Vietnam and Watergate, and what they widely see as the weakness of Mr Carter, want a strong leader. In the White House, perhaps all they want is to believe that they have a strong leader. There would be no public constituency for having him, tested, in a major conflict.

Mr Reagan gets away, effortlessly, with being the first divorced president in U.S. history and yet campaigning on family values at the same time. His appeal is almost mystical.

He has managed to combine his home-spun values with an endorsement of the most pioneering religion — although he is not really religious — that fits the national mood. Those who are worried about him believe that his increasingly powerful right wing fundamentalist backers will advance to a much greater prominence in the next four years, than the Constitution should allow.

But one of Mr Reagan's many gifts is that he has made it unrespectable to run against religion — or the patriotism with which he successfully identifies it. Even if he does virtually nothing in the White House in a second term, he will still preside over a continuing, conservative-inspired social movement that will have his blessing.

He is, as one American newspaper put it this week, on "cruise control." He has not had to exert himself much in the last few months. But, as another newspaper asked this week, "where's the mandate?" It may be that many Americans will only try to answer that question once they have given it to him.

He has obstinately declined to spell out in any detail his plans for the next four years

raised by Mr Hart's challenge for the Democrats will not go away. There will be more Gary Harts in the next four years trying to redefine the Democratic coalition — and they will have to do so.

One of the latest polls says that almost 30 per cent of Democrats will vote for Mr Reagan (and up to two thirds of Independents).

Mr Mondale has allowed himself to be seen as the candidate of special interests and smoke-filled rooms in Washington — which, of course, he is. As such, he is tarred with failure. He has been unable to shake off the eternally disastrous legacy of the Carter Administration that he so loyally served, and he has underlined, for anyone who was still in doubt, how important

voters will feel that they were somehow cheated by Mr Reagan. Today's American voters seem to believe what they want to believe, and to be prepared to take a good deal of trust from Mr Reagan.

That is all the more astonishing in that Mr Reagan has obstinately declined to spell out in any detail what his plans are for the next four years. He does not need to, he says, because he is running on his record — most of which, as it happens, dates from his first two years.

Yet most independent economists believe that he will have to raise revenue through the tax system — despite his rather evasive denials — and there is no certainty that he can deliver on his promise to negotiate verifiable arms control agreements with the Soviet Union.

The way the cookie crumbles

Nabisco's acquisition of the Huntley and Palmer empire has gone smoothly enough to allow the recall of active services in the U.S. of the company's 39-year-old chief executive, John Greeniaus.

"He's going back to fight in the cookie wars," said a Nabisco man yesterday. "I understand they need him badly."

Greeniaus, after a year in Britain, is now on reconnaissance duty in the U.S. where Nabisco is facing fierce competition from Keebler, a division of United Biscuits, and Duncan Hines, part of Procter & Gamble in the new, soft cookie market.

Each company is trying to outdo the other on taste, chewiness (a quality Americans prize in their biscuits) and home-cooked presentation.

The market is already estimated to be worth \$175m — but considering the vast sums being spent on promotion, it would be difficult to pick the winner.

Greeniaus, a Canadian who is not afraid to speak his mind, is known to dislike the name of Nabisco cookies — Almost Home. But he declined to comment on the "wars" for fear of upsetting his new colleagues.

Despite the U.S. troubles, he is still optimistic about launching a new, soft biscuit in the UK early next year. He says it is more likely to be a chewy, cake-like confection than a soft cookie. The British, he says, think a soft biscuit is merely stale.

Men and Matters

who is leaving after six years in the job.

Reid's career has taken him to many parts of the world: Australia, and Thailand.

Although 13 years in Lagos including spells in Nigeria, would not be everyone's choice of an ideal posting, he says he loves the city.

But it was in Australia between 1980 and 1983 that he was most exposed to the toughest oil industry issue he is likely to face at Shellmex House — how to stay profitable and dispute-free in an oversupplied petrol market.

The challenge of making sure we have a viable downstream business will certainly continue," he says. "But upstream, too, the next oil is going to be harder to win."

It may be that Reid will be more at home in the operations room atmosphere of Shell UK than the somewhat cerebral international Shell Centre on the South Bank. He says that

"Blimey — Salmon fumé and Tournedos Rossini again, who'd join the army?"

Out of gear

Italian car maker, Alfa Romeo, does not seem to be having much luck identifying the "select group of people likely to understand and appreciate the usual qualities of our remarkable new car."

Since I mentioned that our science editor, David Fishlock, had been invited to test drive the car despite the fact that he does not have a driving licence, I have heard from a number of other people on Alfa's mailing list.

A Hertfordshire man tells me his son was selected — though he cannot drive and happens to be living in the U.S. A Surrey woman, addressed in Alfa's invitation as Mr, wrote back to suggest further research. She was told her name had been plucked from the electoral register, "thus destroying my fond illusion that I belonged to the higher echelons of society for whom life without an Alfa Romeo is untenable."

Unwanted imports

Morocco is one of the more unlikely countries to be cashing in on Britain's rising demand for coal imports. It produces a high-quality anthracite, prized for use in domestic grates as a smokeless fuel.

But, unless effectively screened, this particular import line can have a dramatic firework quality as well.

Traders tell me it often contains unexploded detonators of East European origin which do not show up on metal detectors. The Co-op, which is importing the coal, is using special equipment to defuse it before putting iron sale. I am assured that the screening is foolproof.

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UBS BUYS INTO PHILLIPS AND DREW

Col. Studer's surprise attack

By Peter Montagnon, John Moore and David Lascelles

SURPRISE HAS always been a key ingredient in military strategy, and yesterday's announcement from the Swiss Bank of Switzerland that it is buying 29.9 per cent of City stock-brokers Phillips and Drew bears all the hallmarks of a carefully planned military coup.

At a stroke UBS, which has always lagged behind the other two Swiss majors in the arena of international expansion, has catapulted itself into the vanguard of foreign involvement in the City revolution.

For the bank itself this will not only enhance its dealing capability in the British financial markets—it intends to acquire a 100 per cent stake in Phillips and Drew as soon as regulations permit which should allow it to gain the coveted status of primary dealer (or market maker) in British government stock. More important, the acquisition will clearly help UBS to expand its already huge international fund management business.

Only three months ago UBS staked another big claim in the City by buying one of its best-known office blocks, the P & O building in Leadenhall Street, for £71m.



But the reasons behind yesterday's announcement go far beyond the strategic planning of one individual bank in Switzerland's largest. The deal provides a telling indication of the way in which Zurich—and for that matter, other Continental financial centres—have begun to lose ground to London as a major international financial centre.

UBS did not disguise this aspect of its decision in making yesterday's announcement. "The opening of London for international financial business, as well as the fact that securities trading possibilities in Switzerland are narrowed by tax burdens, lead to the further strengthening of London as a financial centre," its statement said.

"We are sorry such a development is necessary for Switzerland," said Mr Robert Studer,

the 46-year-old UBS general manager responsible for investment banking. "We as a bank don't want to play a subordinated role in the most important financial centre."

Mr Studer, like most senior UBS executives, he is a high-ranking officer in the Swiss Army (he is a colonel in command of an infantry regiment), is likely to take much of the credit for masterminding the acquisition. Since his appointment to the bank's executive board four years ago he has begun carefully to beef up its international operations.

Expansion is under way at both investment banking subsidiaries in London and New York.

Nonetheless UBS still cuts less of a dash in international financial markets than its other two main Swiss competitors. It was the last of the big three to open a branch in London.

Last year the league table compiled by the banking magazine *Euromoney* showed Credit Suisse First Boston, the joint venture between the Swiss bank and First Boston of the U.S., at the top of the field, leading Eurobond issues worth \$5bn. Swiss Bank Corporation came 12th with \$1bn, while UBS came only 18th with \$672m, though this year it is showing signs of catching up.

Now the acquisition of Phillips and Drew will give the big Swiss bank additional muscle in international financial markets just at a time when it badly needs a new sense of direction. It is already the largest Swiss bank with total assets of SwFr 115bn at the end of last year.

Earnings from foreign exchange and bullion trading, once one of the mainstays of Swiss banking, are also no longer what they were. Activity in the gold market has fallen off and futures markets, which increasingly dominate foreign exchange business, have been developed elsewhere, notably in the U.S. and London.

And worst of all for a financial centre, Switzerland now finds itself in the peculiar position of being particularly heavily taxed. While other countries such as the U.S. and Germany have abolished withholding tax on interest, Switzerland still levies the tax at a punitive 35 per cent. At the same time there is a controver-



Mr Bryce Cottrell, senior partner at Phillips and Drew

sial stamp duty on securities transactions which is levied on dealings through a Swiss bank, even when both buyer and seller are non-resident.

UBS was not the only bidder for Phillips and Drew. It is understood in London that at least one other large Swiss bank was interested, as well as several other international banks such as Bank of America. Nor did UBS bid the highest price, but according to Dr Nikolaus Senn, the bank's executive chairman, it clinched the deal through a combination of price plus concept.

A £40m INJECTION OF CAPITAL BY UBS

ranked fifth. At least £40m of capital is to be injected into Phillips and Drew by a Union. Phillips and Drew want to become a primary dealer making markets in British Government stocks, an activity which requires large amounts of capital.

Phillips and Drew is one of the largest players on the London International Financial Futures exchange and a leading firm in the London traded options market; it also

has around £40m of pension funds under management and what it describes as a "modest" corporate finance business with around 75 clients, including Tesco and British Airways. As a broker it has brought more companies to the unlisted securities market—the British stock market's nursery market for companies than any other stockbroker, with the possible exception of Simon and Coates.

The firm has considered seeking a listing on the unlisted securities market itself and it has been linked with such names as Midland Bank and Bank of America.

Phillips and Drew said "we are seeking to expand the service that we offer with our link up with Union to deal with the demand from our clients for other instruments such as Deutsche mark bands and guilder bonds."



work that make it both a sound and inviting place to do business.

The changes in the City also offer foreign banks a rare opportunity to get a good foothold in markets denominated in one of the world's main currencies. Although continental currencies like the D-mark and the Swiss and French francs are important in foreign exchange, they are not underplanned by the same breadth and depth as the sterling, fixed interest and equity markets.

However, now that most of the City's stockbrokers and jobbers have been bought up, the opportunities for late-comers seem to be limited. As the possible Deutsche Bank deal suggests, though, future acquisitions may centre on ready-made securities groups (Morgan has both a broker and a jobber under its belt) rather than on the individual ingredients.

Lombard Shopping around for home loans

By Clive Wolman

HOME-OWNERS have every right to feel they are the victims of a classic usurer's stratagem. Most decided to take on large mortgages when the interest rate was close to, or below, the rate of house-price and other inflation—and probably below the banks' base rate. But the average mortgagor today is forced to pay a rate of interest (the true rate, not the quoted rate) about 10 percentage points above inflation and 4 above the base rate.

When it was taken out, the mortgage would have been the cheapest form of borrowing available. Now the rate has been pushed above even the overdraft rate, and there are few signs of a reduction in the near future despite a fall in rates elsewhere.

For centuries, the English legal system has sought to protect borrowers from exploitation by money-lenders. But as one legal text book notes, the open-ended mortgage contract of the 1930s "is little short of astonishing. The mortgagor agrees to pay any rate of interest stipulated by the lender of the money" (K J Gray and D Dymes: *Real Property and Real People*).

The leading authority on building society law, Wurtzburg and Mills, accepts that the standard mortgage contract could be struck down by a court as being "harsh and unconscionable". But it points out that building societies provide various safeguards for their borrowers. In particular, most allow borrowers to redeem their mortgages and refinance them elsewhere without penalty.

By this means, the theory runs, competition and the threat of redemptions should force lenders to keep down interest rates.

The practice, however, is far less satisfactory. Many building societies and banks are reluctant to "poach" borrowers by refinancing mortgages. And those that are willing normally insist on carrying out new valuations and checks on title. This typically raises the cost of a switch to £200 or so.

And having spent that money, the cost-conscious mortgagor has no guarantee that, two months later, his new lender will not raise his rates to above those of his previous lender.

It is only because borrowers can be locked in for 25 years, that some mortgages can cost three percentage points more than the cheapest on the market, without creating a flood of redemptions for the dearer lender. A differential of three points on a mortgage of £30,000 is worth £75 a month.

Treasury officials last autumn nodded approval to the breakup of the building societies' cartel in the belief that competition would bring down interest rates. In fact, the opposite happened.

But if the Government is genuinely committed to promoting competition as a way of cutting the cost of borrowing, it could clarify the law as follows:

● Any clause in a mortgage contract permitting the lender unilaterally to alter his interest rates upwards more frequently than once a year could be ruled out as oppressive and unenforceable.

● All lenders would be required to produce standard valuation documents and confirmations of title which, if not too long out of date, could be relied on by a refinancer of a mortgage.

These requirements would allow the homeowner to review the mortgage once every year and decide whether it would be worth switching to another lender for the next 12 months.

The building societies would doubtless complain that they could be caught out badly by an upsurge of interest rates during the year—when they would be unable to pay sufficiently high rates to keep their deposits.

The building societies could be avoided by the use of fixed-interest term shares for one year or more and greater reliance on the money markets.

Any outstanding risk from a rise in interest rates could be hedged by selling interest rate futures contracts.

Such a framework, by encouraging borrowers to shop around for the lowest rates, would encourage new lenders—such as foreign banks—to enter the UK mortgage market. They should be able to raise money more cheaply from non-taxpayers via the world capital markets and thus undercut the building societies and force down rates.

Industrial relations

From the Chairman and Managing Director, Milliken Industrial.

Sir,—In your Men and Matters column (November 2) you refer to a company that has no industrial problems, adding that its manufacturing plant is not unionised. The clear inference of this juxtaposition must be that no unions equals no problems. In Switzerland, where there are no unions, there are no industrial relations problems.

This is really too facile. The company in question is a relatively new one, and the fact that there is no union indicates that its employees are happy that way, which in turn suggests that it has got its industrial relations policies right. But there are many, many businesses in this country where all, or some, of the employees are members of unions, which would also claim to have no industrial relations problems.

I do not believe that having employees who are also members of a union makes it either harder, or easier, to have "good" industrial relations, than if they were not. It is the responsibility of management to ensure that industrial relations are good; and if employees are involved, and are consulted, and generally credited with being intelligent and valuable members of the enterprise, they will respond accordingly, and industrial relations will be "good." To blame unions for poor industrial relations is too easy; but the responsibility lies essentially with management, and to pretend otherwise is dangerous and misleading.

C. F. Jeanes, Wellington Mill, Wellington Street, Bury, Lancs.

Colliery losses

From Mr P. Hallwood.

Sir,—It is alarming that the National Coal Board seems not even to have tried to make any provision for public security, the economic facts of colliery financial losses.

Taking the case of Cortonwood: according to the Monopolies and Mergers report on the coal industry published in June 1983, operating losses there amounted to £6.20 million, which would be only 91st in the colliery loss-makers' league table. (The four worst cases lost an unweighted average of £32.08 per ton.)

Surely a vital exercise is to compare the present value of operating losses with lost government net revenues due to miners becoming unemployed. The latter is an important statistic because it is so often pointed to (in one form or another) by opponents of the closure pro-

Letters to the Editor

gramme. Again taking Cortonwood's case on the basis of a 2 per cent real discount rate and an expected pit life of 15 years, the present value of these losses amounts to £22.4m.

Estimates of the present value of unemployment costs to the Government would probably vary more widely. In the first place, there is no need to become Cortonwood's miners to be unemployed, as the NCB will offer them employment elsewhere. Even if it were assumed, however, that all of the colliery's 832 miners become unemployed for a period of two years, and that this cost the Government £5,000 per annum per capita (1982-83 prices) in compensation and lost tax revenues, the present value of this loss amounts to just £2.1m.

Clearly, on these calculations, the case for closure cannot be overstated.

Wide dissemination of facts such as these would make the public better informed of the economic facts behind the coal dispute and lend further support to the working miners who are struggling to accept replacement of uneconomic capacity. Paul Hallwood, Department of Political Economy, University of Aberdeen, Edward Wright Building, Dumbor Street, Old Aberdeen.

Closing the pits

From Sir Thomas Bazley

Sir,—May an outsider comment on your leader (November 3) about Mr Scargill?

Mr Gavin Davies, economist at Simon and Coates, has thoroughly assessed the economics of pit closures; his study showed that if you take all factors into account, nationwide, closing unprofitable pits can be uneconomic and that the immediate case for closing any pit is weak.

If the Prime Minister could accept this wider and more realistic perspective, might it not allow a compromise reason-able enough to speed up the return to work and undermine Mr Scargill's extreme demands? (Sir) Thomas Bazley, Eastleach Folly, Hotherop, Cirencester, Glos.

Encouraging the bounty hunters

From the National Organiser, The Freedom Association

Sir,—In "The closed shop

under fire" (November 2), Philip Basset provided a useful summary of the possible consequences of the 1982 Employment Act as well as a table of new compensation payments.

The table is accurate as far as it goes but it ignores the "worst" or "best" case compensation payment. This occurs when a tribunal orders reinstatement and the company refuses for a reason the tribunal does not accept. In this case the special award is 156 weeks pay with no upper limit.

Instead of an upper limit of £31,850 as shown in Basset's table, it is quite conceivable to envisage sums three times that size.

This association will certainly encourage "bounty hunters" to take advantage of their statutory rights. As soon as they do so employers and unions who will have to shell out the bounty will for financial reasons come to the same principled conclusion as Mr Brian Stanley of the Post Office Engineering Union, who says: "We prefer what we have: a high level of membership on a voluntary basis, wanting to belong to the union, rather than compelling people to belong." Gerald Hartup, Avon House, 360-366, Oxford Street, W1

Unemployed for over a year

From Mr F. Field, MP

Sir,—Malcolm Rutherford (November 2) draws attention to the significant change in the level of unemployment. He reports their new insistence that the level of unemployment must be brought down. To the proposals to reduce the level of unemployment may I please add two suggestions?

Reference is often made to the cost of unemployment. Yet the social cost is borne almost exclusively by those who are unemployed, and an increasing proportion of those without work are bearing unemployment for longer and longer periods of time. The number who have been without work for over a year has increased from 361,000 in 1979 to 1.2m in October 1984.

Two reforms aimed at helping the long-term unemployed should be introduced early in the new session of Parliament. The first is to pay those without work for over a year the long-term rate of supplementary benefit. No matter how long

claimants are unemployed, they and their families never qualify for the higher supplementary benefit rate. The unemployed are the only claimant group to be discriminated against in this way, and the discrimination takes the form of a 25 per cent reduction in their benefit.

The other change is to encourage employers to take people off the back of the unemployment queue. A subsidy could be given to those hiring workers who have been without work for over a year. At the present time over 365,000 people leave the unemployment register each month. Not all of these move into employment, and of the jobs available, not all of them could be filled by the long-term unemployed, but many could be.

These two reforms would ensure that unemployment is shared a little more fairly, and that we cease to discriminate against the unemployed through the social security system. In no way, however, should these changes be viewed as a substitute for work for that is what most unemployed people most want.

Frank Field, House of Commons, SW1.

Reforming the rates

From Mr J. Watson

Sir,—I agree with Mr Barycz (Oct 20) in pointing out that the rates system is unfair. The unfairness, however, will not be changed by the system that is proposed. Some way will have to be found to set a rate for those people who have not moved recently. This in itself would necessitate a bureaucracy which would be seen by those worse affected as being unfair.

The easiest way of reforming the system would be to transfer the collection to the national Exchequer. This could be done by a small increase in Income Tax. A lot of local bureaucracy would be eliminated.

Money would then be allocated to each local authority depending upon the make up of its population and once this formula was established a large amount of the annual haggling could be eliminated.

The above would take some time to organise but in the meanwhile two of the most glaring injustices in the current system could and should be immediately rectified. People who live in flats are unfairly discriminated against. This problem could be overcome by a simple enabling Act.

The other injustice is against single persons living in any type of accommodation. J. M. Watson, 2, Eschek Court, Wilton Bank, Manchester.

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Marisa Bellisario
Chief Executive
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SECTION II - INTERNATIONAL COMPANIES FINANCIAL TIMES

Tuesday November 6 1984



Continental Illinois sells leasing arm to Sanwa

BY WILLIAM HALL IN NEW YORK

CONTINENTAL Illinois, the big Chicago bank saved from failure by a \$4.5bn U.S. Government-led rescue package earlier this year, has sold its leasing business to Sanwa Bank of Japan for \$50m.

Tri-State, a West Coast banking operation, which has assets of \$600m, staff of 150 and seven offices around the country, has been up for sale for some months. In a bid to strengthen its financial position, Continental Illinois has already sold its London merchant bank and announced plans to sell its operations in several European countries.

Mr Masahiko Inoue, Sanwa Bank's senior managing director, said yesterday that "the acquisition of Continental Leasing Corporation (CILC) represents an important step in our efforts to expand both our financial services capabilities in the U.S. and our worldwide leasing operations. CILC has a very broad customer base ranging from Fortune 500 companies to high-tech companies."

Pipeline unit sale by Texas Eastern

By Terry Byland in New York

TEXAS EASTERN, the Houston-based energy group with interests in the North Sea, is selling its natural gas delivery operations in the western U.S. It plans to sell its Transwestern Pipeline subsidiary to Houston Natural Gas for \$380m in a deal to be finalised shortly.

MCA earnings decline 23% in third quarter

BY OUR FINANCIAL STAFF

THE DECLINE in net earnings at MCA, the U.S. records and films group that owns Universal Studios, has continued with a 23 per cent fall in the third quarter.

or 72 cents, from \$48.1m or 95 cents in the third quarter, leaving the nine-month total at \$16.35m or \$1.57, compared with \$22.27m or \$2.54. Revenue reached \$1.15bn, against \$1.19bn, with \$413m, against \$407m in the latest quarter.

they dipped to \$147m. MGM/UA Home Entertainment finished the year to August 31 with profit up at \$46.53m, or \$1.58 a share, from \$39.28m, or \$1.40, after a rise to \$13.06m, or 44 cents, from \$11.26m or 38 cents, in the fourth quarter.

SEC clears official of bribery cover-up

THE U.S. Securities and Exchange Commission has cleared Mr John Fedders, the director of the agency's enforcement programme, of any wrongdoing in connection with his role in a 1977 investigation of the Southland convenience stores group.

Apple to lose competitive edge over 'look-alike' software

BY ALAN CAINE

APPLE COMPUTER, which is relying heavily on the success of the innovative "Macintosh" machine, is in danger of losing out to 'look-alikes' from other computer companies.

Apple's Macintosh differs from most other personal computers in the facilities designed to make it simple to operate.

The new software is designed to cope with computer programs written for the IBM Personal Computer and a whole range of personal computers which use similar operating (machine control) software.

Cruise liner sale to aid DFDS finances

By Hilary Barnes in Copenhagen

THE DANISH shipping company, DFDS, yesterday announced the sale of its 27,000 gross registered tonnage luxury cruise liner, The Scandinavia, to Sundance Cruises Corporation (owned by the Johnson Line of Sweden, Efton of Finland and McDonald Enterprises of the U.S.).

UK allows Grove bid for Coles Cranes

BY NICK GARNETT IN MANCHESTER

THE BRITISH Government has decided not to refer the purchase of Coles Cranes by Grove Manufacturing, the U.S. crane-builder, to the Monopolies and Mergers Commission.

The Department of Trade and Industry said yesterday that this was in line with advice given by the Director General of Fair Trading that although the purchase gave rise to some concentration in the manufacturing of wheeled cranes over 5 tonnes capacity in the UK, the production of such cranes was international and highly competitive.

of the defunct Acrow group, and which thought it had virtually secured a deal with the receivers. Grove, part of the Kidde organisation, which could now have about 16 per cent of the world's mobile crane market and 75 per cent of the UK market, is believed to have offered about £15m.

Computer manufacturers in the UK which have agreed to incorporate the new software into their products include ICL, ACT, which makes the fast selling "Apricot", and Acorn, which has developed a range of business microcomputers in the wake of its successful BBC machine.

Renault set to boost van sales in UK

By Kenneth Gooding in London

RENAULT of France expects to boost its van sales in Britain substantially in 1984 - for the second year in succession - increasingly at the expense of UK-based producers.

The decision came as a big disappointment to the consortium of eight directors and senior managers which had made an £1m (\$13.6m) bid for Coles, formerly part

Stephens bank in HK move

STEPHENS INC, a family-owned U.S. investment bank based in Little Rock, Arkansas, has bought the Hongkong Chinese Bank for HK\$337.1m (US\$43m) from Overseas Trust Bank, the large Hong Kong bank.

Beazer offers £48m for UK group

BY RAY MAUGHAN IN LONDON

C. H. BEAZER (Holdings), the UK building and property group run aggressively by Mr Brian Beazer, yesterday launched its fifth takeover bid of the year with a £48m (\$80m) offer, vigorously rejected, for Bath and Portland, the building materials and building group.

purchase of its shares in September was a clause prohibiting Beazer from taking more than 51 per cent within five years of the purchase date. Both sides are now contesting the continued validity of that clause.

has underwritten a cash alternative worth 220p per share on the basis of 35p per Beazer share.

LBI man joins Fuji Bank unit

By Our Euromarkets Staff

Lloyds Bank International has lost a key member of its Euromarkets team just as it is on the point of reorganising its merchant banking business.

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INTL. COMPANIES & FINANCE

After the RAS deal, Germany's big insurer remains a predator. Jonathan Carr reports Allianz keeps the insurance world on its toes

FOR A MAN who has just pulled off one coup abroad and is plotting another at home, Dr Wolfgang Schieren looks anything but a revolutionary. The slim, dapper chief executive of Allianz Versicherung, West Germany's biggest insurance concern, likes tennis and rotary club meetings — and hates publicity. Yet at the age of 57 he is forcing through plans to extend and overhaul his group which Allianz's rivals are watching with shivers of concern.

It is not only Dr Schieren's natural reluctance which caused Allianz to deny until the very last moment that it was negotiating a major acquisition in Italy. It is less than a year since Allianz lost its takeover battle for Britain's Eagle Star insurance group, and only a few months since it decided not, after all, to buy the insurance interests of Arno, the diversified U.S. concern. There were clear signs of irritation at Allianz over the "luckless savior" image it was given here and there, and a determination not to breathe a word about the Italian deal until it was wholly "in the bag."

The third time has proved lucky! Dr Schieren (backed by his fluently Italian-speaking director for international operations, Ettore Dediverio of Burg) has won for Allianz effective control of Italy's second biggest insurance group. The 38 per cent stake in Riunione Adriatica di Sicurtà (RAS) being acquired from the

Italmobiliare holding company will cost Allianz more than DM 500m (\$238m). In other words it is one of the biggest investments ever made in Italy by a West German concern.

Despite that, it would be rash to assume that Allianz no longer has the interest, or funds, to pursue its search for suitable acquisitions in the U.S. and Britain. It is pointed out that Allianz made a clear profit of DM 550m in its battle with BAT Industries for Eagle Star, and that sum covers nearly two-thirds of the purchase price of the RAS stake.

Financing the rest of the money, and having plenty left besides, will be no problem for Allianz which last year alone had pre-tax profits of DM 511m, of which DM 372m came from the company's DM 11.1bn-worth of investments.

None the less, Dr Schieren would hardly have sunk that kind of money into RAS only to extend Allianz's, admittedly modest, presence on the Italian market. The real point is that RAS, with its operations in 30 countries, fits perfectly into the strategy of foreign expansion on a broad front which Dr Schieren has been developing for years.

When Dr Schieren took over as chief executive in 1981, he had a tiny fraction of Allianz's premium income came from abroad. By last year, thanks not least to acquisitions in the U.S. the foreign share had risen to 17.2 per cent (DM 2.6bn from

total premium income of DM 15.4bn). The RAS deal helps Allianz take a great leap forward abroad—at relatively little cost. More than half of RAS's £2,400bn (close to DM 4bn) premium income comes from outside Italy. In other words, in premium income

insurance companies, Allianz has to conform to rules laid down, and monitored by, the Federal Insurance Supervisory Office. Among other things, these impose limits on the size and types of investments insurance companies can make with their underwriting provisions. The underlying principle is that "a cobbler should stick to his last"—that is, insurance companies should not dabble too much in non-insurance sectors with their clients' money.

It is not surprising if Dr Schieren has cast an envious eye at the diversification carried out by non-German insurance companies, for example in the U.S., and is aiming for a new group structure which would let Allianz enjoy some of the same advantages.

The mere hint that a new structure of some kind is in the offing has been enough to send the Allianz share price soaring into the DM 1,000s (from a low this year in the DM 700s). Much of the soaring market speculation about Allianz plans is contradictory and in part goes beyond what German insurance law would permit.

terms RAS's foreign operations were not far behind those of Allianz. Together, even allowing for cases of overlap and rationalisation, they make a formidable combination.

Dr Schieren has been forcing the pace abroad above all because Allianz has become too big for comfort at home. It has a domestic market share of around 14 per cent in the life sector and somewhat more than that in non-life business. Efforts to boost its position markedly on either front would fall foul of the cartel authorities.

But it is not only the cartel office guidelines which have made Allianz at home look like a restless giant in chains. In common with all other German

of extraordinary complexity is shown by the fact that Allianz has delayed passing on information about what is planned to its own staff, let alone to the outside world.

Just one of the questions is whether Allianz can find the right formula by reforming existing companies in the group, which is likely, or whether a new holding company may be required.

Nor is it yet clear just what aim will be pursued with these "liberated" funds, which could amount to several billions of D-marks. While stock market reports that a gigantic financial holding with several leading banks is planned have been firmly denied, it would seem far from absurd for Allianz to diversify into financial services.

But this raises another tricky problem. Competing commercial banks (including Deutsche, Dresdner and Bayerische Vereinsbank) have stakes in Allianz and seats on the supervisory board. A diversification into financial services by Allianz which seriously encroached on the interests of any of these banks, let alone all of them, would be decidedly ticklish to push through—even for Dr Schieren.

It would be surprising if this particular Gordian knot at Allianz were untied by the time of the next supervisory board meeting next month. But then Dr Schieren is a very determined man—and it is always good for a surprise!

WORLDWIDE PREMIUM INCOME IN 1983

	DMbn
Germany	12.8
Elsewhere in Europe	0.9
North & South America	1.5
Africa, Asia & Australia	0.2
Total	15.4

Triumph-Adler talks with IBM on typewriter link

BY JOHN DAVIES IN FRANKFURT

TRIUMPH-ADLER, the West German office equipment company, has been holding talks with IBM, the U.S. computer and typewriter giant, about the possibility of co-operation.

IBM is believed to be interested in existing Triumph-Adler as a supplier for the production of certain electronic typewriters.

Both Triumph-Adler and IBM's West German subsidiary confirmed yesterday that talks had taken place, but declined to give any details.

Electronic typewriters are one of the basic strengths at Triumph-Adler, along with microcomputers. The company, which was taken over by Volkswagen, West Germany's biggest motor vehicle concern, in 1978, has been going through major restructuring in a bid to return to profitability.

There has been speculation about a possible deal since the talks became known in trade circles. The discussions are thought to have covered the prospect that Triumph-Adler would supply modified compact machines for use in the production of IBM models, to be sold in various markets, including the U.S.

Triumph-Adler has been stepping up electronic typewriter production this year, despite being caught up in the metalworkers' strike over shorter working hours in May and June. Output of its Frankfurt and West Berlin electronic typewriter factories is expected to be well over half a million this year, compared with about 450,000 last year.

It claims to supply one-sixth of the world's electronic typewriter market and to have nearly a third of the office electronic typewriter segment of the market in West Germany.

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Strong third quarter for Akzo

BY OUR FINANCIAL STAFF

AKZO, the Dutch chemicals and fibres group, reports an increase of more than half in net profit for the third quarter of 1984, and is stepping up its interim dividend.

After tax, profits for the quarter have risen from Fl 112m to Fl 177.4m (\$53.4m) to extend the strong gains shown halfway through the year. For the nine months net profits are Fl 570m, against Fl 284m.

The interim dividend is going up from Fl 1 a share to Fl 1.50 next March, and net profits for the March rights issue. For 1983,

shareholders received a total payment of Fl 4.

Turnover for the quarter made only modest progress, rising from Fl 3.75bn to Fl 3.92bn. But trading margins are still moving in Akzo's favour and operating profits rose by almost a quarter to Fl 296m.

Nine-month turnover was Fl 12.2bn, against Fl 11.1bn, and operating profits increased to Fl 900m from Fl 574m for the first nine months of 1983.

Earlier this year Akzo forecast that net profits for the whole of 1984 would emerge

well ahead of the Fl 420m returned for 1983.

The 1984 third quarter performance has been boosted by lower interest payments and an extraordinary credit of Fl 2.8m, compared with a Fl 3.8m debit in 1983. The tax charge for the quarter was higher, however.

In the third quarter, the chemical products division, pharmaceuticals, miscellaneous products and synthetic fibres, with the exception of American Eak, contributed to the profit increase. Operating income in coatings and consumer products was reduced.

The seeds are sown



Heavy overseas demand for Statoil's bond issue

BY FAY GJETER IN OSLO

A NKR 300m BOND floated by Statoil on the Norwegian market late in October attracted subscriptions totalling Nkr 1.4bn (\$162.6m). Foreign investors showed keen interest while Norway's three leading commercial banks subscribed about Nkr 300m each. Subscriptions from other Norwegian commercial banks totalled Nkr 23m.

The five-year bond, with repayment in full due in November 1989, carries a 12.25 per cent coupon. It is the second bond loan the state oil

company has raised on the Norwegian market this year.

Of its 1984 borrowing requirement, estimated at about Nkr 1.1bn, Statoil has so far raised about Nkr 6.1bn—Nkr 600m on the domestic market and the rest in direct loans from the state or as export credits. Its needs next year will be considerably smaller than this, because of increased income from the Statfjord field, in which it has a 42 per cent stake, and partly because of the planned reform of Statoil's economic role.

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These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

5th November, 1984

NSK

NIPPON SEIKO K.K.

(Incorporated with limited liability under the Commercial Code of Japan)

U.S. \$70,000,000

3¼ per cent. Convertible Bonds 1999

Nomura International Limited

Fuji International Finance Limited

Algemene Bank Nederland N.V.

Citicorp Capital Markets Group

Crédit Commercial de France

Deutsche Bank Aktiengesellschaft

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Morgan Grenfell & Co. Limited

Smith Barney, Harris Upham & Co. (Incorporated)

Union Bank of Switzerland (Securities) Limited

Kleinwort, Benson Limited

Yamaichi International (Europe) Limited

Banque Nationale de Paris

County Bank Limited

Credit Suisse First Boston Limited

IBJ International Limited

Merrill Lynch Capital Markets

Morgan Guaranty Ltd

Société Générale de Banque S.A.

Adolph Saurer expects to show a profit

By John Wicks in Zurich

ADOLPH SAURER, the Swiss engineering concern, expects to return to profits this year, after losses in each of the past five years.

The group, which has carried out a major re-organisation centred on the divestment of motor-vehicle manufacturing machinery and a 26.1 per cent rise in group turnover to SwFr 381.4m (\$157m). New orders were up for the period by 12.9 per cent to SwFr 298.4m.

Swissair, Switzerland's national airline, expects that 1984 profits will be about the same as last year, when net profits rose 46 per cent to a record SwFr 56.2m after a 4.4 per cent rise in revenue to SwFr 3.7bn.

BANCO DI NAPOLI INTERNATIONAL S.A.

U.S. \$ 100,000,000

Floating Rate Notes Due 1995

For the six months 5th November, 1984 to 7th May, 1985, the Notes will carry an interest rate of 107½ per annum with a Coupon Amount of U.S. \$35.39 per US \$100.00 Note, payable on 7th May, 1985.

Bankers Trust Company, London

Agent Bank

BASF

BASF Aktiengesellschaft

3rd Call to exchange

shares bearing the name of
Badische Anilin- & Soda-Fabrik Aktiengesellschaft

After payment of the dividend for the 1983 business year, new dividend coupon sheets will have to be issued for our company's shares. In this connection the share certificates, which are no longer correct owing to the change of name from "Badische Anilin- & Soda-Fabrik Aktiengesellschaft" to "BASF Aktiengesellschaft" resolved by the General Meeting on June 20, 1973, should also be exchanged pursuant to section 73 of the Joint Stock Corporation Act of the Federal Republic of Germany.

We hereby request our shareholders to exchange their now incorrect share certificates bearing the old name of "Badische Anilin- & Soda-Fabrik" together with the left half of the renewal coupon for shares bearing "BASF Aktiengesellschaft" along with a dividend coupon sheet containing dividend coupons Nos. 1 - 20 and a renewal coupon until December 10, 1984, inclusive

during normal business hours at one of the following banks in London:

Kleinwort, Benson Limited,
20 Fenchurch Street, London EC3P 3DB

S. G. Warburg & Co. Ltd.,
30 Gresham Street, London EC2P 2EB

In accordance with a resolution of the General Meeting of our company on June 29, 1984, our share capital is solely represented by shares of DM 50.- par value. Certificates are available for 1 share (DM 50.-), 10 shares (DM 500.-), 20 shares (DM 1,000.-) and 50 shares (DM 2,500.-).

The new share certificates will be supplied to shareholders free of commission and charges. Depository banks are requested to contact one of the above-mentioned exchange offices with regard to payment of commission.

The newly issued share certificates are good delivery at the London Stock Exchange. The incorrect share certificates bearing "Badische Anilin- & Soda-Fabrik Aktiengesellschaft" ceased to be good delivery.

Incorrect share certificates not presented by December 10, 1984, pursuant to section 73 of the Joint Stock Corporation Act of the Federal Republic of Germany, thereafter be invalidated. The necessary authority has been obtained from the District Court of Ludwigshafen am Rhein.

The Board of Managing Directors
BASF Aktiengesellschaft

D-6700 Ludwigshafen/Rhine November 1984

BASF

How The Morgan Bank concentrates on serving major corporations in the U.K.



Among the Morgan officers who collaborate to serve U.K. companies, are, at left: John McColloch, U.K. corporate banking, London; Stephen Kirmse, commercial paper, New York; Harvey Struthers, U.K. and Scandinavian corporate banking, New York. Center (all based in London): Charles Dumas, Morgan Guaranty Ltd; Deborah Barton, treasury; Andrew Cartwright, U.K. corporate banking. Right: Michael Doyle, mergers and acquisitions, New York; Oliver Parr, U.K. corporate banking, London; Lam Nguyen-Phuong, financial analyst, London.

The Morgan Bank specialises in serving multinationals. In the U.K. this means we bring leading British corporations and U.K.-based subsidiaries of U.S. and other foreign firms the worldwide resources of a major wholesale bank—with the personal attention usually associated with much smaller banks.

We structure innovative financings, in sterling, dollars, and other currencies. We're a leader in interest rate and currency swaps, Eurobond issues, international treasury management, financial futures, foreign exchange options. Morgan bankers will advise you on the right time and way to do financings—long- or short-term, at fixed or floating rates, and in the best currency.

Here's how we serve U.K. clients.

□ Our London bankers work closely with a special Morgan group in New York that serves U.K. companies in the U.S. market. Together we provide tax-efficient acquisition financing, commercial paper services, bridge loans, term loans, private placements. Recently we structured a unique financing that enabled a U.K. multinational to acquire a U.S. company, completing a deal that might not otherwise have succeeded.

□ Morgan Guaranty Ltd, our international capital markets arm based in London, is a major manager and underwriter of fixed rate, floating rate, and convertible securities in the Eurobond market—and a pioneer in swaps, deferred rate settings, debt and equity warrants. Last year we did over a dozen capital markets deals for U.K. clients.

□ Companies call on our international merger and acquisition officers. Recently, for a British corporation wanting to sell a subsidiary, we provided a valuation using computer modelling, identified a U.K. buyer, and advised in final negotiations.

□ Another resource: Morgan's corporate finance advisors, who specialise in capital structure analyses, diversification strategies, valuations. For a U.K. client acquiring a U.S. company, we analysed its strategic plan, prepared financial projections, and recommended a capital structure to minimise costs and maximise flexibility.

To find how we can serve you, write or call John McColloch, Vice President, U.K. Corporate Banking, Morgan Guaranty Trust Company, 1 Angel Court, London EC2R 7AE; (01) 600-2300.

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INTERNATIONAL COMPANIES and FINANCE

Fanuc sees record profits after 34.5% interim rise

BY YOKO SHIBATA IN TOKYO

REFLECTING brisk private capital investment, Fanuc, the world's largest manufacturer of numerically controlled (NC) equipment for machine tools, posted a 34.5 per cent jump in pre-tax profits to ¥25.8bn (\$107m) for the half year to September on sales up 30 per cent to ¥68bn. Net profits were 40 per cent higher at ¥12.2bn.

Strong demand for NC equipment is expected to continue in the current half, and this should offset heavier amortization costs resulting from the construction of a new NC equipment plant. The company expects to post record earnings for the full year.

Fanuc, operating at full capacity, is currently producing 4,000 NC units a month, up from 2,800 units in the same period of 1983. Sales of NC equipment for the half year rose by 30.8 per cent in value to account for 83 per cent turnover. Exports jumped by 45 per cent to account for 38.8 per cent of which direct exports advanced by 45.1 per cent to account for ¥19bn.

This was helped by brisk sales of industrial robots to the U.S. including shipments to GM Fanuc, a joint venture with General Motors. Exports of Fanuc NC systems to be incorporated in other makers' machine tools rose by 44.9 per cent to ¥7.4bn.

The increase in NC production improved the company's cost-to-sales ratio by 1.4 percentage points to 51.4 per cent and this contributed to the good earnings performance.

For the current half year production capacity is expected to expand to 5,000 units a month, thanks to the transfer of production facilities from Tokyo's Hino-plant to a new plant in Fuji. The introduction of new NC equipment models, which are said to be priced very competitively, and increased efficiency are expected to boost earnings.

Fanuc has between 40 and 45 per cent of the world market in NC equipment and in European countries, the company has had little competition since its tie-up with Siemens of West

Germany and the retreat by Philips and Robert Bosch from the field. Fanuc expects increased demand from European machine tool makers in the current half year, following the rise in interest from U.S. and domestic manufacturers.

Full-year pre-tax profits are projected at a record ¥47.3bn, up 13 per cent, net profits at ¥22.7bn, up 16 per cent and sales at ¥139.6bn, up 20.9 per cent.

● Ishikawajima-Harima Heavy Industries, Japan's second-largest heavy machinery manufacturer, has reported profits down by 15 per cent to ¥9.3bn (\$38.5m) before tax and extraordinary items, for the six months to September 30, against the prior year's interim ¥11bn. Net profits fell from ¥5.71bn to ¥4.69bn on sales up from ¥90.19bn to ¥96.3bn.

The company said the sluggish performance reflected in part increased research and development expenditure. The interim dividend is being held at ¥2 per share.

NZ insurance group well ahead midway

BY OUR FINANCIAL STAFF

NZI, THE New Zealand insurance and financial services group, has reported a 55 per cent increase in consolidated net earnings for the six months ended September 30 from NZ\$24.7m to NZ\$37.8m (U.S.\$18.7m). Gross revenues during the period were NZ\$118.2m, up by 23.7 per cent on the first six months of 1983.

The company said that the devaluation of the New Zealand dollar by the new Labour government had "materially contributed" to the increase. It also brought about a large increase in NZI's offshore net assets, overseas insurance exposures, and capital needs.

From April 1, however, the group has introduced a new accounting policy to take net gains and losses arising from foreign exchange fluctuations directly to reserves rather than through the earnings statement. For the six month period, these fluctuations came to a total of NZ\$67.8m.

Reviewing its business in detail, NZI says that past measures in its general insurance division to improve underwriting out-turn and to reduce costs have helped substantially

to improve business, with Australia, New Zealand, Malaysia, and Hong Kong all contributing. No profit breakdown for the division was given.

In the life insurance division, operating earnings of NZ\$1.5m were reported, while finance companies provided operating earnings of NZ\$3.9m, up 77.3 per cent from 1983. Disposals by the division contributed a further NZ\$6.4m.

● New Zealand Steel has reported a 118 per cent jump in after-tax profit for the half year ended September 30 to NZ\$15.5m from NZ\$7.1m the previous year. Dal Hayward adds from Wellington.

NZ Steel is the country's only steel producer, making a wide range of domestic and export products. It also exports iron sand concentrate to Japan.

The directors say last year's result reflected low demand from the domestic market, but sales for the first six months of this year were NZ\$198.6m compared with NZ\$135.5m. The company has announced an interim dividend of eight cents, compared with three cents last year.

Mayne rejects APM bid

By Michael Thompson-Noel in Sydney

MAYNE NICKLESS, the Australian-based transport, security, and computer services concern, yesterday officially rejected a AS128m (US\$109m) partial takeover offer by APM, a diversified manufacturing group.

The company said the APM bid was unwelcome, inadequate, and opportunistic, and that a poll of shareholders showed that fewer than one in 100 plan to accept the offer.

APM is offering to buy up to 40m Mayne Nickless shares at AS320 cash each, ex-bonus, equivalent to AS353, including the recent 1-for-10 bonus. Alternatively, it is offering seven APM shares for five Mayne Nickless ex-bonus.

Mayne Nickless, which has security and armoured car interests in the U.S., maintains that its shares are worth more than AS5 each. It says the offer has "no business or commercial logic" and is forecasting a 45 per cent increase in net profit to AS\$7m for the year to June 30 1985. Since the offer was announced, Mayne Nickless shares have consistently traded well above the offer price.

Merger plan by two Norwegian banks

BY FAY GJETER IN OSLO

UNION BANK OF Norway, a commercial bank owned jointly by most of Norway's savings banks, is to merge with Sparebanken Oslo Akerhus (SOA), a leading Oslo savings bank, creating a new institution which will be Norway's fourth largest bank. The merger will be effected by formally winding up the two existing banks and the establishment of a new one.

Plans for the merger, announced yesterday by the boards of Union and SOA, are expected to be approved within the next fortnight by their respective governing bodies. The consent of the authorities will also be required, since Norway's banking laws will have to be revised to permit the merger of a commercial bank with a savings bank. Official approval is expected, though the necessary legal changes could take about a year. Meanwhile, once the two banks' governing bodies have assented to the link-up, their managements will begin to co-ordinate activities.

Since the new bank—as yet unnamed—will be a savings bank, it will have no share

capital. The savings banks which are now shareholders in Union Bank will receive "basic fund bonds" in exchange for their shares, in an amount corresponding to 180 per cent of the par value of the Union Bank shares which they hold. Union's share capital is Nkr 193.5m (U.S.\$22.5m). Annual interest on the bonds will vary.

Mr Olav Eikeland and Mr Ove Flotaker, the respective managing directors of Union and SOA, will be joint managing directors of the new bank, which will have total assets of Nkr 265m, will employ 2,400, and will have 108 branches in the Oslo/Akerhus county area, as well as regional branches in seven other Norwegian cities and towns. Abroad, it will retain the representative offices in London, New York, Stockholm, Helsinki, and Copenhagen now operated by Union. In Luxembourg, where Union now has a stake in Banque Nord-Europe, a consortium bank, the new bank will withdraw from Nord-Europe and establish a wholly-owned subsidiary instead.

Advance in midterm sales and earnings for Sharp

BY ROBERT COTTRELL IN TOKYO

SHARP, the Japanese electronics manufacturer, has reported record parent company profits of ¥30.85bn (\$128m) before tax and extraordinary items for the six months to September 30, an increase of almost 23 per cent over the ¥25.22bn reported at last year's interim stage.

For the full year, Sharp is forecasting parent company profits of ¥64bn before tax and extraordinary items, and net profits of ¥44bn on sales of ¥910bn.

Last year, the company achieved pre-tax profits of ¥52.17bn, net profits of ¥29.14bn, and sales of ¥796.56bn. Sharp is raising its interim dividend from ¥5 to ¥5.5, and plans a similar increase in the final distribution, making ¥11 for the year. Sales for the half year under review totalled ¥446.76bn, an

increase of 23 per cent over the ¥366.62bn achieved in last year's first half. Reviewing its divisional sales breakdown, Sharp says electronic equipment sales rose by 25.9 per cent to ¥151.6bn, electrical appliance sales by 23.6 per cent to ¥91.78bn, industrial machinery and electronic components by 21.5 per cent to ¥155.15bn, and audio goods by 8.7 per cent to ¥47.89bn.

● Nippon Oil, Japan's largest primary oil distributor, recorded a turnaround from last year's ¥7.4bn interim loss to a parent company profit of ¥3.23bn (\$34.1m) before tax and extraordinary items for the six months to September 30.

The company expects full-year profits to ¥33bn before tax and extraordinary items, compared with ¥25.2bn for 1983-84.

More bank licences in Bahrain

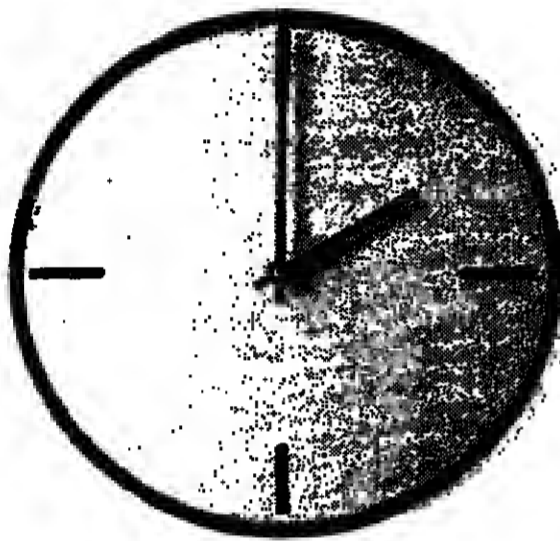
BY MARY FRINGS IN BAHRAIN

THE Bahrain Monetary Agency has awarded four new banking licences.

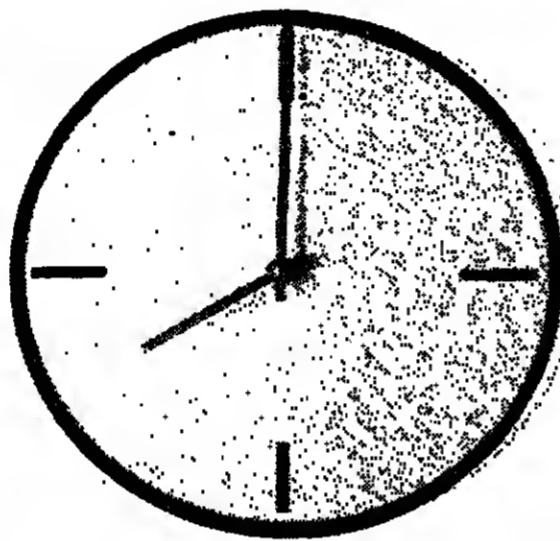
Bank Negara Indonesia 1948, which has had a representative office in Bahrain for the past 18 months is now licensed as an offshore banking unit (OBU).

Representative offices will also be opened by Robert Fleming Holdings, the holding company of Robert Fleming and Co,

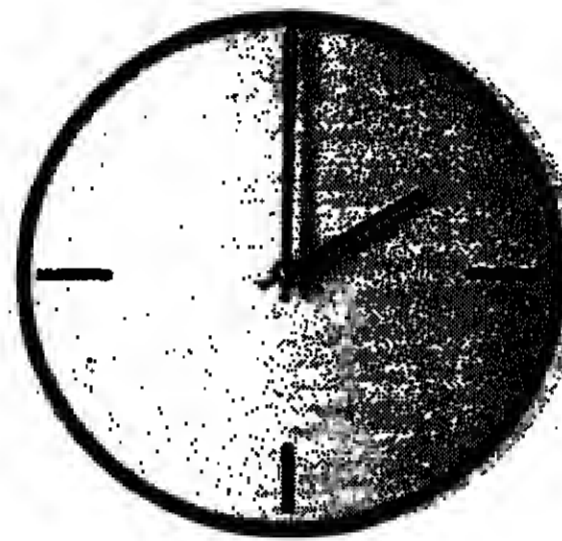
a recognised UK bank and a member of the Accepting Houses Committee, by Robert Fleming Investment Management, by Smith Barney Harris Upham, the U.S. registered securities broker and financial adviser, in which at least two Gulf investment groups have minority shareholdings and by Tokai Bank, one of the biggest Japanese commercial banks.



MIAMI 2 PM



PARIS 8 PM



JAKARTA 2 AM

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F.T. 500 SURVEY

The above Survey will be published on the following dates:
Friday November 9
(International Edition only)
Saturday November 10

BIDS AND DEALS

E. Lancs forecasts sharp rise in profits

By Alexander Nicoll
East Lancashire Paper Group, seeking to ward off a \$3.5m bid from British Syphon Industries, yesterday predicted that a planned reorganisation of its paper-making mill would dramatically boost profits in the first half of 1985.

East Lancashire forecast pre-tax profits of \$47,000 for the whole of 1984 with a \$700,000 estimated profit from its merchandising division offset by losses in paper manufacture. The 1984 profit estimate is before an ordinary loss of about £1m relating to the close-down of three fine paper machines.

The reorganisation—agreed in principle with unions and currently subject to negotiations—involves the introduction of a five-shift system running continuously on the two remaining fine paper machines and two existing packaging paper machines; 140 jobs will be lost.

East Lancashire forecast that these measures, budgeted to improve margins by £1.4m per year, will allow the company to show a \$307,000 pre-tax profit in the first half 1985. It promised to restore the dividend for 1984 the 8.5p paid in 1982.

Cullen's shares halted as talks get underway

BY ALEXANDER NICOLL

Cullens Stores, the loss-making chain of grocery, wines and spirits stores, yesterday announced for the second time this year that it was involved in talks with an unidentified party which could lead to a bid for the group.

Trading in Cullens's shares was suspended yesterday because its interim results are due. The approach, it said, would necessitate the dissemination of up-to-date and price sensitive trading and information to a wider audience.

Market speculation about the identity of the possible bidder centred on Mr Lewis Cartier, who sold his supermarket chain, Cartier Superfoods, to Tesco in 1978. He failed earlier this year with a bid for 52 per cent of Maynards, the retailer and confectionary, and is believed still to be seeking a publicly-quoted retail group.

L. Messel, the stockbrokers acting as corporate finance advisers to Mr Cartier, declined to say yesterday whether he was involved in talks with Cullens, which is being advised by Barclays Merchant Bank. Cullens, valued at £5.3m at the suspension prices, has a split capital structure which gives more than 50 per cent of votes to the Cullen family and a pension fund of which family members are trustees.

Cullens operates more than 100 stores in London and the South-East; the majority are licensed. Although the company has been seeking to expand into large stores, called Cullens Markets, most of its shops are small and expensive to supply.

The small size of most Cullens's stores is believed to have deterred larger retail chains from showing interest in the company.

Cullens, which puts emphasis on high quality goods reported increased turnover in the year ended February 29, 1984, at £30m against £21.1m. But there were losses of £83,000 pre-tax against profits of £188,000.

Memec further expands its W. German activities

Memec, a distributor of high technology electronic components, microcomputer systems and peripherals, has entered into an agreement to acquire 85 per cent of IST Sales and Trading GmbH.

Maximum consideration will be DM 5.1m (£1.38m), part of which will be satisfied by the issue of 1.5m Memec shares to a maximum value of DM 2.1m (£0.57m) to be retained by the directors of IST.

The German company, based in Munich and founded in June, 1982, is a specialist distributor of rotating machinery and other products. Turnover and pre-tax profits of IST for the year ended December 31 1983 were DM 4.04m (£1.09m) and DM 540,000 (£146,000) respectively.

Home Farm in £515,000 acquisition

Home Farm Products, a Sheffield-based pork and bacon producer, is spending over £500,000 on acquiring a private company, Bowlers Potted Meat, which manufactures a range of potted meats and distributes them to small retailers within a 50 mile radius of Sheffield and Leeds.

The principal reason for the acquisition is that it creates an opening for Home Farm in the distribution network servicing small outlets. Until now the company has focused its attention on large stores such as BHS.

An earlier attempt to move down into van delivery on a local basis was unsuccessful. Bowlers first produced Potted Meat in 1974 and has since then expanded its range to include a variety of other products. Bowlers' net assets for the period ended 1983 amounted to £398,508 which included cash in hand and £200,000 of pre-tax profits before tax in the year ended 1983 which took in about £30,000 of investment income.

Fitch Lovell purchase

Fitch Lovell has acquired Frozen Foods (London), a long established distributor of Birds' Eye products, for £2.2m in cash and shares. FFL, which trades as Castle Frozen Foods, has a developing national business in the packing and distribution of frozen food hampers, and trading profits for the year to end-September, 1984 are estimated to be in excess of £250,000.

Mr Geoffrey Hankins, chairman of Fitch, says that "Castle is another step in the expansion of our frozen food distribution activities based on Hedges and Blue Cap Frozen Foods. Castle has a good profit record and its acquisition will further extend our geographical coverage."

BIDS AND DEALS IN BRIEF

L. Texas Petroleum

L. Texas Petroleum has entered into negotiations with a privately held U.S. corporation with a view towards a possible agreement on a combination of the two companies. None of the substantive terms of the agreement has been finalised, but the company expects negotiations to move rapidly and plans to release information on terms as they develop.

Because of the size of the other party the Stock Exchange has granted L. Texas Petroleum's request that its shares be suspended.

Griffin has acquired a Scottish credit reference agency from Western Credit Services. This acquisition is aimed at strengthening the group's credit referencing facilities.

GRA, through its wholly-owned subsidiary "GRA Developments, has sold 100,000 ordinary shares in Southend Stadium. The holding becomes 900,000 shares (17.67 per cent of the issued ordinary capital or 18.01 per cent of the total voting capital).

Acceptances have been received from shareholders of the Cafe Des Amis for the offer by Kennedy Brookes, in respect of 33,790 shares (100 per cent).

The board of Ireland Yard Investments has announced that the acquisition from Harvard Securities of 500,000 ordinary shares in Tarag Growth Holdings was completed on October 23 1984. In addition, acceptances have now been received in respect of 1,010,500 Tarag shares (representing 40.4 per cent of the issued share capital).

There were no Tarag ordinary shares held by Ireland Yard prior to the offer period and the shares acquired, or agreed to be acquired, by Ireland Yard during the offer period—which comprised solely of the shares acquired from Harvard Securities—amounted to 500,000 shares (20 per cent).

The offer is now unconditional and it will remain open for acceptance until further notice.

At an EGM of Blockleys a special resolution was approved authorising the issue of 215,000 ordinary shares of 20p each at 500p per share. As known, the net proceeds of £10.75m are to be used to finance part of a £25m estimated cost of a new factory and plant to manufacture simulated hand-made nicks.

Under the terms of an agreement placing the 215,000 shares, existing Blockleys shareholders have subscribed for 81,575 ordinary and a number of institutions the balance of 133,125 ordinary shares.

The shares subscribed for by existing shareholders represent 70 per cent of shares available to shareholders who had not previously undertaken not to apply.

The merger between Coles Cranes and Grove Manufacturing Company is not to be referred to the Monopolies Commission.

Norton Opax has agreed to acquire 75 per cent of the capital of Manor House Press for £437,500 satisfied by the issue of 350,000 ordinary shares and cash.

The deal is due for completion on November 8 and 27,500 of the shares are being placed with institutions on behalf of the vendors.

Manor House (of London N4) has been trading since March 1983 and produces year-books and other publications. For the 17 months ended June 30 1984 it expects to make pre-tax profits of some £74,000 on a turnover of £445,000.

The acquisition is a further step in Norton's plan to diversify into specialised print-based media sales. Its main activities are the production of lottery and fundraising tickets (Norton and Wright), cheque books, and Fosco-Minsep says that, through its Unicorn sector, a wholly owned subsidiary has sold its 50 per cent interest in Carborandum Universal, South Africa.

Consideration is £4.2m in cash and the estate value of attributable net assets is £2.5m.

Documents have been posted containing details of the re-modified scheme of arrangement whereby George Williamson proposes to acquire the shares of Romal Tea Holdings not already owned for £11.25 cash per share.

Torchmark has reached agreement in principle to accelerate the terms of an earlier contract to acquire 9.9 per cent of its own common shares held by American General Corporation.

BASE LENDING RATES

Table listing base lending rates for various banks including A.B.N. Bank, Allied Irish Bank, Amro Bank, Bank of America, Bank of Australia, Bank of Canada, Bank of China, Bank of India, Bank of Japan, Bank of Korea, Bank of London, Bank of Mexico, Bank of New York, Bank of Paris, Bank of Rome, Bank of Scotland, Bank of Singapore, Bank of South Africa, Bank of Sweden, Bank of Switzerland, Bank of Taiwan, Bank of Thailand, Bank of Tokyo, Bank of Victoria, Bank of West Indies, Bank of Yugoslavia, Bank of Zambia, Bank of Zimbabwe, Bank of the Caribbean, Bank of the Middle East, Bank of the Pacific, Bank of the South Pacific, Bank of the West Indies, Bank of the West Indies, Bank of the West Indies, Bank of the West Indies.

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UK COMPANY NEWS

AB Foods shows progress without Premier

Associated British Foods, the Allied Bakeries, Fine Fare and Twining tea and roffee group, saw its trading surplus rise from £37.6m to £46.1m over the six months to September 29, 1984.

The comparative figures were struck after stripping out a three months' contribution from the Premier group, which was sold in June 1983.

This was done in order to facilitate comparisons with the continuing activities of the group.

At the pre-tax level profits emerged at £58.6m after deducting interest of £2.8m and adding investment income of £10.1m. In the six months to October 1 1983, pre-tax profits totalled £54.9m. This included a £12.4m contribution from Premier for the three months to June 30 and investment income of £7.9m. Interest took £1.9m.

Excluding Premier worldwide sales increased by £153m (or 13 per cent) to £1.44bn.

Mr Garry Weston, the chairman, says the group's strong cash flow enabled it to minimise bor-

rowings — this was reflected in lower interest charges for the first six months.

He tells shareholders that the directors are confident that the satisfactory start made by the operating divisions at home and overseas will continue into what

FT 500
Which Dutch company shot straight in at No 162 in the FT 500? Find out with the publication of the full list in Friday's edition of the Financial Times.

is traditionally the more profitable half of the year.

The chairman cautions however that he is aware that the higher effective rates of tax charged will continue to have an adverse impact at the net profit level.

Tax for the opening half took £20.5m (£16m) and left earnings

0.4p lower at 8p per 5p share. Nonetheless, the interim dividend is being lifted from 1.6p to 1.7p net — a final of 3.4p was paid previously.

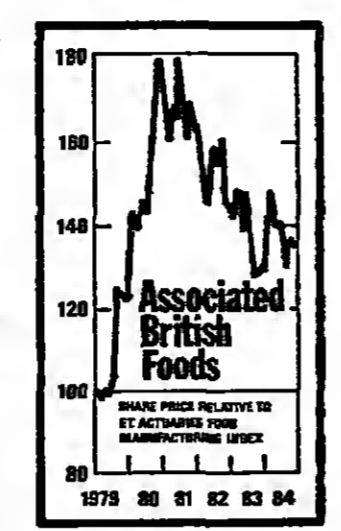
Although capital expenditure was maintained at a high level the UK tax charge rose from £6.6m to £12.1m following the reduction in capital allowances and the withdrawal of stock relief.

After providing for group tax and substantially lower minority interests (£1.1m, against £3.4m) attributable profits emerged £1.5m behind at £32m.

There were extraordinary credits of £3.7m (£1.1m) relating to the profit on sales of properties.

The lower level of investment income was caused by the volatile conditions which persisted in the bond and short-term money markets. Particularly in the early months of the half year. Mr Weston says this was disappointing when compared to the high rates of return achieved last year.

In the UK sales overall



increased by 9 per cent, the principal contribution coming from the group's retail divisions where a sales increase of 12 per cent was achieved.

All the main manufacturing divisions reported satisfactory growth in turnover for the period with the exception of the bakery division which remained static in a highly competitive market.

Trading profits in the UK increased from £25.8m to £31.5m. While the major part of this increase was achieved by the group's retailing activities, improved results were also reported by the majority of the company's manufacturing divisions.

Overseas sales at £350m, and trading profits of £14.8m, showed increases of 160m and £2.8m respectively. Currency realignment accounted for £24.4m of the increase in turnover and £1m of the increase in profits.

In Australia, George Weston Foods increased sales and trading profits by 11 per cent despite continuing losses from the New South Wales bread operation. Since the end of the half year the company's poultry operations, which had adversely affected the group's results, have been sold.

See Lex

HIGHLIGHTS

One of the last of the leading independent London stock brokers gave up its freestanding status yesterday as Phillips & Drew took the Union Bank of Switzerland as a 20.9 per cent shareholder. The Lex column looks at the deal which links one of the top five City brokers with one of the world's leading banks before moving on to comment on the latest bid moves by the acquisitive building group, C. H. Beazer. Before the ink is dry on its acquisition of M. P. Kent, Beazer is using the platform of Kent's 22 per cent stake in Bath and Portland to launch a bid for the West Country cement group. Finally Lex looks at the interim figures from Associated British Foods.

Bridport rises 58% to £1.6m

A SURGE in second half profit at Bridport-Gundry, the netting and cordage manufacturer, has pushed up the total for the year ended July 31 1984 by 58 per cent from £385,000 to £1,590,000. Dividends are raised from 3.25p to 4p net with a final of 2.75p.

The current year should be another good one, the directors forecast. Each of the group's businesses this year seems to be moving forward in terms of profitability, although an increase in orders is not reported everywhere.

In the first half of 1983-84 the profit showed only a £91,000 increase to £394,000, because of a delay to substantial deliveries to the American and British initial promotional expenditure planned in the U.S. from ACT's own shareholding and institutional investors. Full details of the proposals are expected to be announced next Monday.

Applied Computer doubles profits and expanding in U.S.

DOUBLED INTERIM profits and dividend together with a further expansion in the U.S. have been announced by Applied Computer Techniques (Holdings).

The six month period to the end of September 1984 saw sales advance from £20.02m to £35.74m and profits before tax rise by 110 per cent to £3.81m against £1.81m in 1983.

Shareholders are being rewarded with an interim dividend of 0.35p compared with 0.167p, which has been adjusted for a two-for-one scrip issue. The dividend is covered nearly 13 times by stated earnings per share of 4.33p against 3.11p.

The group is principally engaged in the manufacture and supply of business computer applications. It also manufactures and distributes microcomputers and software, and designs and installs on-site computer systems.

ACT is planning major new distribution arrangements for its microcomputer products in the U.S. Applied Inc, a new company, has been formed in the U.S. and has entered into exclusive agreements with an established nationwide sales organisation.

The organisation, not named by ACT, handled the major part of the sales of the new U.S. Applied Inc, a new company, has been formed in the U.S. and has entered into exclusive agreements with an established nationwide sales organisation.

ACT will hold around 20 per cent of Applied's initial capital of \$20m (£15.5m).

Proposals are being finalised to raise the balance of the funds required for working capital and to finance the considerable initial promotional expenditure planned in the U.S. from ACT's own shareholding and institutional investors. Full details of the proposals are expected to be announced next Monday.

The directors say that the increase in sales volume and improved profit margin reflects the market reaction to ACT's Applied product line both in the UK and overseas. The results were achieved, despite substantially reduced sales of Sirius machines.

Nearly all divisions performed well, notably the manufacturing side where its consistent profitability was the main factor in the overall improvement of group profit margin.

Net profits for the period came out at £2.1m (£1.96m) after tax of £1.7m (£0.53m).

● comment
ACT's move to double taxable profits did little to assuage the market's disappointment over the sales figure, which at £35.7m makes it difficult to see how the group can meet its earlier indications that its consistent turnover should top £100m. The shares dropped 10p, but recovered to 265p-5p down for the day — the implications of the new U.S. distribution arrangements are in the deal gives ACT access to a network forecast to distribute \$150m worth of Applied's products — an opportunity thrown up by Apple's recent decision to replace its outside dealers with an internal sales force. If the arrangement works, then ACT has the option to take a majority stake in Applied Inc. But if it falls into one of the many pitfalls of the U.S. market, the risk to ACT's British shareholders is limited to a write-down on its 20 per cent investment and possible dilution as Applied Inc investors exercise their option rights. At any rate, the deal makes an innovative contrast to the 'go-home-to approach' adopted in the U.S. by groups like Arora.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corresponding for last year	Total for year
Applied Computer	0.35	Dec. 5	0.17	0.73*
AR Foods	1.7	Mar. 4	1.6	5
Bridport-Gundry	2.75	—	2.13	4
British Investment	6.5	Jan. 7	5.1	21.7*
Bronx	Nil	—	0.25	1.09*
Craig and Rose	3	Jan. 8	8	47
Crampthorn	3.5t	—	3.38t	5.17*
Delyn Packaging	1	Nov. 26	1	2.5
Orayton Const.	6.9	Dec. 21	6.5	8.9
Star Overseas	18	Jan. 29	17	2.5
Tow. Centry	1	—	0.91*	1.01*
W. A. Tysack	1	—	0.4	1.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. † Expects total unchanged at 2.5p net. ‡ Adjusted for subdivision and scrip issue. * Includes adjusted interim of 1.67p.

Bronx hit by shortfall in orders

IN A first half undermined by short-time working and very low output, Bronx Engineering Holdings has seen turnover fall by nearly £4m and has sustained a loss of £746,688.

The taxable deficit for the period to May 31 1984 romps up with a profit of £108,509 last time and came out of group turnover sharply down at £2.39m against £2.72m. Mr G. Crosthwaite, the chairman, says that due mainly to the continued worldwide recession in the industries served — press, bar, tube and plate and pipe finishing — the company experienced the most acute shortage of orders in its history.

The company was honoured in the 1984 Queen's Award to Industry for export achievement, recognising its efforts in gaining orders in the preceding years.

In view of the results there is no interim dividend. Last year's payment was 0.25p for a total of 1.04p net per share. Payment of a final dividend will depend upon the trading result in the second half and the outlook for next year, when a small first half profit may be earned.

Stated losses per share are 5.73p (profit 0.76p).

The directors add that increases in order levels in the latter part of the period under review have enabled full time working to be restored with a resultant rise in turnover. The indication for the second half is that the company will reach a break-even level.

Forties interest lifts Berkeley Exploration

OVER THE first half of 1984 Berkeley Exploration and Production has shown a substantial improvement in its finances following the acquisition of an interest in the Forties field. It has turned in a pre-tax profit of £11.6m, compared with a loss of £30,000 previously.

Mr Andrew Wilson, chief executive, says the company has now achieved a balance of production, appraisal and exploration interests. Cash flow generated by Forties production gives "considerable scope" for increasing exploration expenditure, which in turn can be set against the tax charge of PRT and Forties production. Tax for the half-year was £1.59m (£11,000) to leave a net loss of £425,000 (£141,000).

Substantial growth of the company cannot be achieved solely

by acquisition of new licences, he points out, as it is actively generating new exploration and appraisal prospects which should combine real exploration potential with the opportunity to reduce the current level of taxation.

Although drilling plans for 1985 are not yet complete, he is confident that the company should maintain a steady increase in activity over a variety of onshore and offshore plays, Mr Wilson states.

Turnover in the half year was £4.2m (£52,000) and comprised amount billed for oil and gas supplied from Forties before deducting royalties. Cost of sales, reached £2.25m (£41,000) of which about half is represented by amortisation and provision for abandonment of Forties, the balance being made

up of royalty and operating costs of Forties.

Exploration costs are initially capitalised and then amortised against production and this amortisation accounts for most of other operating losses shown at £452,000 (£81,000). The loss attributable to shareholders was £193,000 (£136,000) equal to 1.95p (1.37p) per share.

In the first half the company participated in wells on both its Eighth Round blocks, 14/6 (Berkeley 6 per cent) and 49/6 (Berkeley 10 per cent). Ultramar, the operator, has announced that well 49/5-2, which is situated in the Southern Gas Area, tested three zones, one of which flowed gas at a maximum rate of 30m cubic feet per day.

Interest in the area has since remained high with BP's recent well on the adjacent block 49/4.

To the East of block 49/5 the company has a licence application pending in respect of Dutch acreage.

Many months of preparatory work will culminate shortly in an impact appraisal of the Forties gas discovery on block 49/18B.

A number of operators have recently advocated the potential of the Southern gas area for supplying the country's gas needs from indigenous sources rather than imported gas.

Berkeley has a 19.7 per cent interest in blocks 49/18B and 19B, and any decision to develop this area would clearly have a substantial impact.

Since the beginning of the year, paring for bidding in the ninth Berkeley has been active in pre-arranged as a member of several attractive bidding groups.

'Reasonable' but lower profit seen by Delyn

REDUCED operating profit in plastic vacuum forming, start-up losses in a new activity, and difficult trading on the giftwrap side have pushed Delyn Packaging into a loss of £36,000 for the half year ended July 29 1984.

As usual, this result in no way reflects that for the full year. Mr Godfrey Fisher, chairman, anticipates that the current year will be reasonable although the profit will not reach the record £319,000 pre-tax of 1983, 1984, of which £23,000 was earned in the first half.

Mr Fisher says the new activity — the manufacture of containers for the dairy industry which

started towards the end of 1983 — has not fulfilled expectations. Start-up losses have been incurred, as expected, but following a change in market conditions with severe competition it has been decided to withdraw from this activity with effect from this month "as future profit could not be foreseen."

For the half year the loss per share came out at 1.76p, against earnings of 1.19p, and the interim dividend is being held at 1p net per share. Total payment for 1983-84 was 2.5p when earnings were 19.34p.

Turnover in plastic vacuum forming rose considerably, says

Mr Fisher, but competitive pressure and delays in commissioning new machinery have held back profit. There were additional production and labour costs to meet the high standards of service which has been a significant factor in increasing the volume of sales.

The order book is at its highest ever and the outlook for this part of the group is encouraging.

Mr Fisher says the trade in giftwrap has changed considerably in the past few years, but the company has been able to react fully following the snow disaster of 1982, when the factory collapsed and had to be rebuilt.

A fresh marketing policy has been developed, and already some new products have been introduced with success in major retail outlets. A less seasonal

pattern (trade is mainly dependent on volume sales in the pre-Christmas period) should develop with better penetration into growing markets, but full benefits will not occur this year.

The chairman tells shareholders that the future of the company will depend not only on expansion of present operations but also on developments into related areas. Considerable effort is being devoted towards the preparation of the plans for growth.

He notes that the A. J. Coolding Group, which also counts packaging among its interests, has not yet exercised its option to acquire 26.65 per cent of Delyn capital. The option runs to December 31 1985 and was granted to Gooding by the Welsh Development Agency over its total holding of Delyn shares.

Star Offshore slumps and anticipates losses

DESPITE A SLUMP in interim profits and an anticipated full year loss at Star Offshore Services the company says that it is weathering the present difficult charter market in the North Sea "relatively well."

"The business we are in is a cyclical one," says Mr W. C. Cochrane, the chairman, who adds that the deterioration in the offshore supply vessel market in 1983 has continued longer than we expected, even though the level of exploration and appraisal drilling has improved."

Profits before tax for the six months to end-September 1984 fell to £121,000, against £1.27m, with turnover down from £5.84m to £4.42m. Revenue from marine activities was down at £4.4m against £5.4m.

The lower revenue this year, says Mr Cochrane, was attributable partly to the fact that one ship was temporarily employed in specialised roles, had to compete in the general market as a supply vessel.

In addition, some of Star's other vessels had to work the spot market for the first time in three years. Over the first half

of 1983, the fleet in the North Sea was still mostly chartered at rates negotiated when the market was more buoyant and revenue is expected to fall further in the second half of the current year and it is anticipated that the company will show a loss before tax against a £2.45m profit for the full year before taking into account any profit on ship sales which may take place.

However, Mr Cochrane says "we believe the outlook for 1985-86 is for an improvement in performance and the cash position of the company remains satisfactory."

Star's fleet is being modernised and three ships are on order for delivery in 1985. Sales of vessels are also planned at an appropriate time in the future to maximise profit and cash flow.

Star Offshore is an unquoted company. An unchanged interim dividend of 1p has been declared and shareholders can expect a same again final of 1.5p, to be paid if necessary out of reserves.

The interim result was struck after net interest payable of £303,000 (£302,000). Tax took the same at £64,000.

HIV Group set for good year

As the existing pattern of television broadcasting seems set to continue for several years with little change, the prospects for the industry as a whole and HIV Group in particular are encouraging, says Lord Harlech in his report as chairman of HIV.

He feels the group is set for another successful year, following the expansion of profits from £4.1m to £7.13m in the year ended July 31 1984. Frost and Reed (deal dealing) was off to an excellent start with total sales in August exceeding £1m, while Dataday (stationery) is making considerable strides in its fight to return to profitability — though it may not be in the black this year.

As regards direct broadcasting by satellite, Lord Harlech says the prospects are difficult to assess — it could prove a profitable investment, or one of the surest ways to lose a great deal of money.

If HIV decided to participate in the venture its total investment over a period of years could approach £10m and shareholders can be assured that the directors would need satisfactory answers to many questions before recommending involvement.

COMPANY NEWS IN BRIEF

Sales and profits in the first three months of the current year at Parker Knoll, furniture manufacturer, were fractionally ahead of last year, in a market that had yet to show signs of significant improvement, members were told at the annual meeting.

In the short term, an end to the miners' dispute was necessary to restore confidence, but in the longer term, the company remained optimistic.

Mr Alan Alexander, a partner in Thomson McLintock, has been appointed liquidator of Interfleet Company Car Services by the creditors.

Run by Mr John Hamilton from premises in Kensington, Interfleet traded as a motor car broker. Annual turnover exceeded £2m, but the directors' statement of affairs showed creditors of £14,588 and a deficiency of £120,373.

Improved pre-tax profits of £417,595 against £289,501 have been produced by Frontprint Holdings for the 53 weeks to the end of March 1984. Mr Edwin Thirlwell, chairman, says that current performance is "highly satisfactory" and the company appears set for another record year.

Recovery of this chain of rapid print and copy shops grew by 46 per cent to £12.6m. The comparable period is for 52 weeks. The total of retail outlets reached 300 for the period under review.

Because of strong earnings in the half year to September 1984 the directors of the British Investment Trust are lifting the interim dividend from 5.1p to 6.2p net per share. They consider the situation will continue for the remainder of the year and anticipate being able to make an increase in the final payment — 6.8p was paid.

W. Tysack Sons and Turner has announced that its proposed scrip issue will be on the basis of one for four.

Also, the directors intend to seek authority to issue to shareholders additional ordinary shares instead of cash dividends. A circular seeking approval of the principle will accompany the annual report for consideration at the EGM/AGM on November 30.

Marine division performed well in all areas other than Peterhead. A new depot was opened in Penzance and is trading profitably. The Brisham operation is firmly established.

The market in oil pollution equipment has proved disappointing and Fishker's joint company with Hawker Siddeley Marine and Cygnus Marine, has not done as well as hoped.

Sheet netting, sports equipment and other goods are doing well. The demand for all types of aircraft fabric is strong in a competitive market.

Crewekerne Textiles had another good year, demand for its products has increased. A contract has been placed for the new factory and this work should be completed by March 1985 and fresh machinery already on order will then be in place.

Reedport Net Company was bought during the year and therefore had little impact in the group result.

It is expected to make a modest contribution this year.

Brownell and Company in Connecticut did much better than previously. Some overdue investments in machinery and other facilities has taken place.

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Over-the-Counter Market

1983-84 High/Low	Company	Price Change	Dress Field div.(p)	P/E Actual	Fully Paid
142-120	Ass. Int. Ind. Ord.	142	10.0	7.0	8.2
158-117	Ass. Int. Ind. CULS	142	12.1	8.2	7.1
33	Amisage & Rhodes	42	1.9	2.8	5.2
42-21	Amisage & Rhodes	42	1.9	2.8	5.2
123-97	Bardon Hill	117	3.4	2.8	11.9
132-97	Boy Technology	43	1.0	1.0	5.0
201-173	CCJ Ordinary	174	1.5	8.1	8.0
153-117	CCJ Preference	117	1.5	8.1	8.0
735-100	Canada Jibe Conv. Pref.	118	15.7	13.3	—
249-92	Canada Group	92	5.7	0.6	—
73-45	Canada Services	72	5.5	9.0	11.1
206-75	Frank Horsell Pr.Ord.87	205	8.8	4.7	8.9
218-200	Isa Group	200	4.3	16.0	—
44-32	George Blair	27	4.3	16.0	—
80-40	Ind. Precision Castings	40	2.7	5.8	3.0
270-213	James Burrough	268	4.8	4.4	6.2
33-33	James Burrough 9pc Pl.	33	1.3	8.5	14.0
147-100	Linguaphone Gr.	139	12.8	12.8	9.5
103-56	Linguaphone 10.5pc Pl.	96	15.0	13.6	—
176-32	Robert Smking	47	3.8	0.8	34.2
74-35	Scruttons "A"	35	1.0	15.8	16.4
444-377	Trevan & Carlisle	377	—	—	3.3
26-17	Unicof Holdings	20	4.3	1.1	21.0
67-95	Walter Alexander	82	1.3	8.5	8.7
276-230	W. S. Yezzer	230	1.7	8.1	8.2

Prices and details of services now available on Prestel, page 4816

Globe - Top of Its Class

Globe Investment Trust, the UK's largest listed investment trust with assets of over £600m, increased shareholders' total return by 39.4 per cent in the twelve months to 30th September 1984. This was the best performance of the larger general trusts, according to statistics just released by the Association of Investment Trust Companies.

Encouraging Results
In its half-year statement to shareholders Globe reported on:

- Profits up 6.48 per cent to £7.4m for the first six months to 30th September 1984.
- Net asset value at 346.10p up 12.19 per cent over three months.
- A new savings and share purchase service.

Globe has the twin aims of providing income growth sufficient to support dividend increases at least in line with any upward trend in the R.P.I., and a growth in asset values better than that achieved by the FT-Actuaries All-Share Index.

For further details and a copy of the full half-year report, please contact The Secretaries, Globe Investment Trust PLC, Electra House, Temple Place, Victoria Embankment, London WC2R 3HP Tel (01) 836 7766.

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The next course begins in February 1985; for more information please contact: The Evening MBA Office, The City University Business School, Frobisher Crescent, Barbican Centre, London EC2Y 8LR. Telephone 01-920 0111 Ext. 243.

UK COMPANY NEWS

STOCK EXCHANGE BUSINESS IN OCTOBER

Overall turnover increases 25% in volatile markets

BY GRAHAM DELLER

STOCK EXCHANGE business showed a marked increase in all sectors last month in spite of continuing domestic industrial unrest and further downward pressure on sterling—two factors which have severely inhibited trading in recent months.

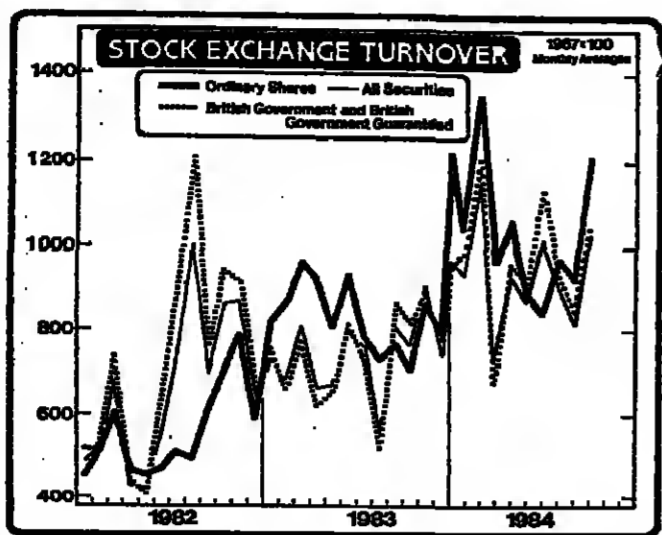
There were 23 trading days in October, three more than September. Turnover in all securities rose 25.08 per cent, or £5,750m, to £28,640m. The Financial Times turnover index for all securities rose to 1,030.5—the highest since the record 1,160.7 last March.

The overall number of bargains showed a commensurate increase, rising by 103,256 to 494,516. The average value per equity bargain increased by £700 for the second consecutive month to £17,400.

Investment confidence received a sharp jolt at the beginning of the month when dealings in Johnson Matthey were suspended. Subsequently, the Bank of England launched its first lifeboat operation since 1975 to rescue J.M.'s subsidiary Johnson Matthey Bankers.

Thereafter, equity prices drifted lower with the usual ebb and flow of interest rate speculation and conflicting reports concerning the stalemate in the miners' strike. The threatened stoppage by Nacods, the pit deputies' union, later withdrawn, exerted a further strain on sentiment and the FT Industrial Ordinary share index suffered its highest fall in points terms of 27.9 on October 17.

However, markets regained composure following the apparent unwillingness of Mr Nigel Lawson, the Chancellor, to restate



the economy. There was renewed U.S. support of selected blue-chips and the FT 30-share index finally closed the month a net 19.6 higher at 858.0.

Business in ordinary shares rose 31.28 per cent, or £1,630m, to £5,820m, in spite of the forthcoming attractions of the British Telecom flotation. The Financial Times turnover index for ordinary shares rose to 1,217.9 against September's measure of 927.7.

Gift-edged stocks displayed a similar trading pattern. Initial optimism of a reduction in interest rates was dashed by disappointing money supply figures which showed a 1 per cent rise in M0. The dollar subsequently broke through the \$1.50 barrier

for the first time. Sterling also reacted to news of a \$1.50 barrel cut in North Sea crude by Norway's Statoil, resulting in similar action by BNO.

The FT Government Securities index, down to 78.41 on October 18, recovered following a cut in U.S. prime rates to close the month 0.56 up on halcyon at 81.38.

Turnover in gilts expanded 22.62 per cent, or £4,540m, to £24,610m. Business in short-dated stocks rose £2,310m to £14,790m, while trade in long-dated maturities showed an increase of £2,230m to £9,820m. The Financial Times turnover index for Government Securities rose to 1,041.7 against the previous month's 849.5.

Another rights from Lifecare

TO IMPLEMENT its plans for development of sheltered housing, Lifecare International is asking shareholders for another £2.1m through an underwritten issue. Just short of a year ago members were invited to raise £1.37m.

The latest rights will take the form of units comprising four ordinary shares and one new 8.25 per cent convertible cumulative redeemable preference share 1999, convertible at the rate of five ordinary shares for every two preference.

1,098,412 units will be offered at £2.04 each on the basis of one for every 10 shares held.

The company recently changed its name from the Edward Jones Group as it is placing emphasis on the provision of retirement homes and sheltered housing. The purchase

of Freeland Nursing Homes last month was the first major step towards that policy, and now a number of further acquisitions of both homes and sites for development have been identified and researched.

The directors say the group has made considerable progress since the rights issue of last year. In the six months ended June 30 1984 there was a trading profit of £23,000, compared with a loss of £8,000, on a turnover of £2.65m (£1.48m), but they attach greater importance to the changes in the balance sheet since the end of 1983 and which will form the basis of future profitability.

In 1983 the trading loss was turned into a £30,000 profit when taking account of a £28,000 gain on sale of property.

Better third quarter for Milford Docks

The Milford Docks Company reduced its pre-tax losses from £204,000 to £141,000 over the first half of 1984.

Current trading reflects the upward trend in the third quarter although the directors say the benefit in terms of the company's profitability will not be felt in the current year.

With the new management making shippers aware of the facilities at Milford Docks there was a substantial increase in new types of cargo handled by the company in the third quarter. The management says it is continuing to develop new opportunities where appropriate and that it has recently entered into joint ventures in the fishing and ship catering fields with existing successful concerns.

Loss per £1 share for the first half amounted to 4.5p (38.9p). Turnover totalled £476,000 (£211,000).

Interest charges were reduced from £38,000 to £8,000. Last time's figures took account of a £56,000 compensation payment to a director in legal costs of £18,000 and £38,000 costs of a rights issue.

Over the first half of 1984 the continuing recession in shipping activities reduced stevedoring revenue and the ship repairing business met increased competition.

Asset value up at Drayton Consolidated

Net asset value per 25p share of Drayton Consolidated Trust rose from 331.35p to 369.63p over the 13 months to September 30, 1984.

Drayton, an investment trust, is paying an increased final dividend of 6.9p, against 6.5p, for a higher total of 8.3p (8.5p).

Although this payout is uncovered by earnings per share of 8.21p (8.79p), the directors say that due regard has been taken of revenue outlook for current year.

Category	Value £m	% of total	Number of bargains	% of total	Average daily value £m	Average bargain value £000s	Average no. of daily bargains
BRITISH FUNDS							
Short dated (5 years or less to run)	14,789.4	44.0	25,465	6.0	643.0	501.9	1,281
Others (over 5 years)	9,822.6	29.2	40,190	8.1	427.1	244.4	1,747
IRISH FUNDS							
Short dated (5 years or less to run)	801.8	2.4	1,861	0.4	34.9	488.2	81
Others (over 5 years)	498.9	1.5	2,384	0.5	21.7	289.1	104
UK LOCAL AUTHORITY	466.1	1.2	3,777	0.6	17.7	127.8	138
OVERSEAS GOVERNMENT	214.1	0.6	2,544	0.5	9.4	84.2	111
OVER FIXED INTEREST	280.8	0.8	22,546	4.6	12.2	12.5	980
ORDINARY SHARES	6,825.2	20.3	392,347	79.3	296.7	17.4	17,859
TOTAL	33,438	100.0	494,516	100.0	1,462.7*	68.0*	21,501

* Average of all securities.

CONTRACTS Mansfield civic centre

FAIRLOUGH BUILDING has won a contract worth £3.7m to design and build new civic offices and a banqueting suite for Mansfield District Council. The new centre will accommodate all the Council departments, currently spread over several buildings in the district. Contained within the building will be the new council and administration offices, together with a banqueting suite, council chamber and reception rooms. There will also be room for exhibitions and displays. The design is traditional with brick-clad walls under a clay pantile pitched roof. External works include extensive landscaping and a car park for 300 cars. Completion is scheduled for February 1985.

Contracts on new buildings for the Daily Telegraph in London and Manchester are valued in £5m worth of work won by roofing and cladding contractor BRIGGS AMASCO. The Daily Telegraph contracts, together worth around £2m, are for roofing and wall cladding for a new production centre in the London Docklands and another in Trafford Park, Manchester. Two contracts have also been received for the Royal Navy. Over £500,000 worth of roofing and cladding is for a new training centre at HMS Collingwood, in Fareham, Hampshire, and around £100,000 worth of roofing work has been won at a physical and recreational centre at HMS Osprey, in Portland, Dorset.

Other contracts include the re-roofing of local authority flats for the City of Newcastle (£250,000); roofing work on a Young Offenders Centre in Feltham, Middlesex (£287,000); roofing work on the Easton Centre, in London (£250,000); roofing on a new shopping development in North End, Croydon (£275,000); and roofing a new ASDA store in Warrington (£140,000). Briggs Amasco, Darlington, is a member of the Tarnac Group's building products division.

WILTSHIER SOUTH MID-

LANDS, has won a design and build contract worth £3.5m for new council offices in Amersham for Chiltern District Council. On two floors, the gross area will be 74,000 sq ft.

MELLOWES METEAB, a member of the RTZ Corp, has won contracts for its aluminium and steel windows and curtain walling systems worth over £2m. These include a £800,000 order for aluminium windows for Westergate, Glasgow, by Developments Commercial and Industrial (Scotland); a £803,000 contract to supply steel window to the Farnborough College of Technology development and a £568,000 order for Mellowes Metfab's newly introduced aluminium curtain walling system for Total Oil's head office extension being built in Aberdeen.

RATTEE AND KETT, Cambridge, has a contract for an extension at Harston Mill, near Cambridge, for Cambridge Interactive Systems, a subsidiary of the Computervision Corp. The contract is valued at £1.5m and will cover a total internal area of 2,367 sq metres (20,500 sq ft). It will involve fitting-out the historic water mill and extending an existing modern building to provide a ground floor computer room and computer software development work spaces on both the first and ground floors. A later development will be a 980 sq metre (10,000 sq ft) administration block which will also accommodate some further software development work areas. Ratee and Kett is part of the Mowlem Group.

Work has started on a nine months task of demolishing part of the Admiralty Yard, Newcastle upon Tyne for British Shipbuilding. This £1m contract was awarded to WESTCROFT DEMOLITION, Castleford, West Yorkshire. The demolition, processing and removal of 10,000 tonnes of ferrous scrap includes eight 200 tonne cranes.

The Board of Management of Akzo N.V. announces that on November 5, 1984 the results for the third quarter of 1984 were published. Copies of this quarterly report may be obtained from the London Foying Agents:

Bercley Bank PLC
Securities Services Department
54, Lombard Street
London EC3P 3AH
and
Midland Bank PLC
International Division
Securities Services Department
110-114 Cannon Street
London EC4N 6AA.

or at the offices of
Akzo N.V.
Velperweg 76
P.O. Box 186
3800 LS, Arnhem
The Netherlands

Akzo Arnhem, November 6, 1984

This advertisement is issued in compliance with the Regulations of the Council of the Stock Exchange. It does not constitute an offer of, or an invitation to the public to subscribe for, or otherwise to acquire any shares.

ATTWOODS PLC

(Incorporated in England under the Companies Act 1969 - No 350900)

Share Capital

Authorized	Issued and being issued
£ 10,000,000 Ordinary Shares of 25p each	£ 6,708,460

The acquisition of the whole of the issued capital of Industrial Waste Disposal, Inc. was completed on 5th November, 1984 following approval, inter alia, of the acquisition by shareholders at an Extraordinary General Meeting held on that day. The whole of the issued share capital, as enlarged by the rights issue of 23,222,580 New Ordinary shares of 25p each, has been admitted to the Official List by the Council of the Stock Exchange.

Particulars relating to Attwoods PLC are available in the statistical services of Etsel Statistical Services Limited and copies may be obtained during usual business hours on any weekday (Saturdays accepted) up to and including 26th November, 1984 from:

Robert Fleming & Co. Limited
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London EC3A 6AN

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6th November, 1984

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62 London Wall
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LTCCB Asia Limited
Sumitomo Finance International
Chase Manhattan Asia Limited
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Dresdner (South East Asia) Limited
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Mitsubishi Finance (Hong Kong) Limited
Nomura International (Hong Kong) Ltd
Schroders & Chartered Limited
Toyo Trust Asia Limited
Yasuda Trust and Finance (Hong Kong) Limited

The issue price of the Notes is 100 per cent. The Notes have been admitted to the Official List by the Council of the Stock Exchange, subject only to the issue of the temporary global note. Interest is payable semi-annually in arrears in November and May of each year, the first payment being due in May 1985.

Full particulars of the Notes and the issuer are available in the Etsel Statistical Service and may be obtained during usual business hours up to and including 19th November, 1984 from the brokers to the issue:

Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

6th November, 1984

National Australia Bank Announcement

From October 1, 1984, our legal name will change from National Commercial Banking Corporation of Australia Limited to National Australia Bank Limited.

In all correspondence, other than in legal documents, we shall be known as

National Australia Bank

National Commercial Banking Corporation of Australia Limited was a merger of the National Bank of Australasia Limited and the Commercial Banking Company of Sydney Limited.

3909-413

Notice of Redemption

WALT DISNEY PRODUCTIONS INTERNATIONAL FINANCE N.V.

15 3/4% Guaranteed Notes Due 1986

Notice is hereby given that, pursuant to the provisions of the Fiscal and Paying Agency Agreement dated as of September 1, 1981 among Walt Disney Productions International Finance N.V., Walt Disney Productions, as Guarantor, and Bank of America International S.A., Luxembourg, as Fiscal and Paying Agent, all of the above Guaranteed Notes, constituting \$100,000,000 in principal amount, will be redeemed and prepaid on November 30, 1984 in the principal amount thereof together with accrued interest thereon to said redemption date.

Interest on said Guaranteed Notes shall cease to accrue on the redemption date and on said date the redemption price will become due and payable on each of said Guaranteed Notes.

Payment of Guaranteed Notes will be made upon presentation and surrender thereof, together with all coupons, if any, appurtenant thereto maturing subsequent to the redemption date, at the office of Bank of America International S.A., 35 Boulevard Royal, Luxembourg, or, at the option of the holder, at BankAmerica International, 37-41 Broad Street, P.O. Box 466, Church Street Station, New York, New York 10004, U.S.A.; or Bank of America N.T.&S.A., 25 Cannon Street, London EC4P 4HN, England; or Bank of America N.T.&S.A., 43-47 Avenue de la Grande Armée, 75116 Paris, France; or Bank of America N.T.&S.A., 34 Van Eycklei, B 2000 Antwerp 1, Belgium; or Swiss Bank Corporation, Gartenstrasse 9, CH-4002 Basle, Switzerland; or Union Bank of Switzerland, Bahnhofstrasse 45, CH-8021 Zurich, Switzerland; or Bank of America N.T.&S.A., Mainzer Landstrasse 46, 6000 Frankfurt/Main, Germany.

WALT DISNEY PRODUCTIONS INTERNATIONAL FINANCE N.V.
By Bank of America International S.A., Luxembourg,
Fiscal and Paying Agent

Dated: October 30, 1984

Moulinex

RESULTS OF THE FIRST SIX MONTHS OF 1984
 Compared to the same period of the preceding year, the Moulinex S.A. turnover shows an increase of 8% in the French market and 27% in foreign markets.

	First 6 months of 1984	First 6 months of 1983
Turnover	1,393	1,166
Trading results	61.8	76.4
Pre-tax current results	26.5	50.1
Net results after taxes	31.0	56.0
Cash flow	96.9	91.3

(1) ACTIVITIES
 Compared to the same period of the preceding year, the Moulinex S.A. turnover shows an increase of 8% in the French market and 27% in foreign markets.

(2) FINANCIAL RESULTS
 The investment policy has been carried on. Total investments during the first six months of 1984 amount to 79 million francs, the main part of which is destined to improve productivity.

Companies and Markets

Decline in construction investment hits Tysons

LOSSES OF £361,715, against profits of £668,735, were incurred by Tysons (Contractors) over the first six months of 1984.

The result, the directors say, reflects the incidence of long-term building contracts and competitive tenders in the building and civil engineering industries caused by the decline in investment by both the public and private sectors.

However, they say that current evidence is that the rate of decline is being arrested. The first half loss before tax was incurred on turnover of £13,050m compared with £9,620m. There was no tax charge against £14,000 last time. Losses per share are shown as 7.23p (earnings 12.99p). The company does not pay interim dividends.

UK COMPANY NEWS

Improved lettings help Town Centre to show expansion

AN IMPROVEMENT in the letting market has helped the growth of Town Centre Securities, a property investment company, in the year ended June 30 1984.

Some very substantial increases have been shown on some reversionary properties and a number of important reversions are coming up in the next two or three years.

The dividend is held at 1p net per share on the capital increased by the 1-for-10 scrip, and a further scrip, on a 1-for-8 basis, is to be made. Year end net assets value is shown to be ahead from 70.15p to 76.56p.

Revenue for the year came to £5.19m against £4.88m, and interest charges were £1.42m (£1.47m). Tax takes £1.05m (£925,000) and minorities £8,600 (£2,500), leaving the net distributable balance at £1.31m (£1.8m) or 1.63p (1.46p) per share.

Chairman Mr Arnold Ziff says although the letting market appears to have been "somewhat quiet" there has been a number of problem areas and carries a fairly large number of empty properties. When they are let this can only add to profit.

The company has purchased a number of properties including an office block in Leeds, a 10-shop parade in Orpington, which is a reversionary investment, and a number of smaller properties in market towns either with a view to refurbishment or rebuilding.

On a six acre site in the centre the company recently obtained planning approval to construct 70,000 sq ft of retail accommodation. 30,000 sq ft has already been completed and let to MFI.

The improvement is accompanied by a 0.6p boost in the final dividend to 1p net per share, to give a total of 1.5p for the year. Earnings per share are stated as 3.38p compared with a loss of 0.34p.

The return to profit came out of turnover which rose by £1.24m to £6.28m.

Wistech ahead of forecast at £0.26m

Wistech, a provider of specialist cleaning, waste management and maintenance services, has beaten its own profit forecast by 15 per cent.

The Bridgend-based contractor yesterday announced that profits before tax came to £261,020 on turnover of £3.9m in the year to September. It forecast profits of £225,000 for the year when it joined the over-the-counter market last January.

The group was formed by a management buy-out for £650,646 of Wimpey Industrial Services from the construction company George Wimpey last December.

It subsequently raised £275,000 net of expenses from a placing on the GTC of 5m shares at 7p each, 12 per cent of the fully diluted equity.

There are no comparable figures for the preceding year because the directors say they would be misleading. They did not acquire all of the group's assets from Wimpey, and substantial changes have been made since the buy-out.

Wistech paid £121,590 in deferred tax for the year, leaving retained earnings of £139,430. There is no dividend because the group qualifies as a Business Expansion Scheme investment.

The main growth areas in the current year, say the directors, are expected to be in asbestos removal and low-level radioactive waste clearance.

Wistech expects shortly to sign a profit-sharing working arrangement with Viken Industries, of Boston, U.S., to establish a waste management and nuclear power plants in the UK.

Better ore grade at Bougainville

AN IMPROVEMENT was seen in the grade of ore milled at the Rio Tinto-Zinc group's Bougainville copper-gold mine in Papua New Guinea during the September quarter after the previous decline.

Consequently, the amount of metal contained in concentrates produced during the quarter rose over the levels of the previous three months. However, the total for the first nine months of this year is still down on that for the same period of 1983 in line with the overall decline in one grade.

The contained copper in concentrates produced in the latest quarter was 44,887 tonnes to make 133,023 tonnes for the first nine months of the year against 140,411 tonnes a year ago. Gold amounted to 4,260 kilograms, making 13,101 kg against 13,827 kg in the second half. CRUs heads making 35,706 kg against 36,437 kg.

Bougainville's ore grades have declined this year as the mining operations have moved into the lower grade material in the deeper part of the open-pit. But the effects of this on production should be offset to some extent by the installation of a 13th ball mill next year.

The company has also been contributing to pre-feasibility study for a local hydro-electric power scheme which would reduce costs in the long run. At present the mine is entirely dependent on imported oil fuel for its big haul trucks and electric power station; fuel accounts for about a quarter of total operating costs.

Estimates for the first half of this year dropped to K16.6m (£14.8m) from K32.8m in the same period of 1983 and the interim dividend was reduced to 2 toea (1.5p) from 3 toea. On the basis of current metal prices a further fall in profits is likely in the second half. CRUs heads 53.6 per cent of Bougainville.

Mining News in Brief

Australia's Western Mining is to help build a nickel mine in China at Jinchuan in Gansu Province. Mr Arvi Parbo, Western's chairman, said at the Melbourne meeting that the company has entered into a technological consultancy agreement to advise on the design and construction of the smelter.

Mr Parbo said that Chinese authorities had asked Western Mining for assistance in view of the good technical and operating performance of the company's nickel smelter at Kalgoorlie in Western Australia.

In the annual report of South Africa's Anglovaal mining and industrial finance group Mr Basil Herzog, the chairman, warns that it may be difficult to increase production of gold against the background of metal price, exchange and interest rates, taxes and inflation.

As foreshadowed, the rescue operation for the oilfield involving making copper producer in South Africa's north-western Cape Province is to include a rights issue of some R22m (£8.4m). The Consolidated Gold Fields group, which currently holds 25 per cent of O'okiep, will subscribe for its entitlement and will then have a larger shareholding than its non-participating U.S. partner.

South African gold production in September eased to 1,837,626 oz after rising to 1,890,333 oz in August. Figures issued by the Chamber of Mines show that the total output for the first nine months of this year has reached 16,494,493 oz compared with 16,494,493 oz in the same period of 1983.

Australia's Leighton Mining proposes to sub-divide each of its oilfield leases into two shares of 25 cents (20 cents paid) and then make a rights issue of three-for-one at 20 cents. The A15.5m (£11.5m) to be raised will be used for the purchase of Endeavour Resources' oil and gas interests, leaving the latter free to concentrate on its gold activities.

Associated British Foods

Half Year Progress Report

	Six months to 29 September 1984*	Six months to 1 October 1983*	Year to 31 March 1984
Turnover - excluding Premier Group	1,441.0	1,288.0	2,765.0
Trading surplus	46.1	37.6	97.0
Interest payable	2.6	3.0	6.4
Group profit - excluding Premier Group	43.5	34.6	90.6
Investment income	10.1	7.9	23.7
Profit of Premier Group (see note)	-	12.4	12.4
Profit on ordinary activities before tax	53.6	54.9	126.7
United Kingdom tax	12.1	6.6	19.4
Overseas tax	8.4	9.4	16.3
Profit on ordinary activities after tax	33.1	38.9	91.0
Minority interests	1.1	5.4	6.5
Profit on ordinary activities attributable to the company	32.0	33.5	84.5
Extraordinary items	3.7	1.1	87.6
	35.7	34.6	172.1
Ordinary dividends			
1st Interim	6.8	6.4	6.4
2nd Interim	-	-	13.5
Earnings per share before extraordinary items	8.0p	8.4p	21.2p

*Half year figures unaudited.
 Note: Our interest in the Premier Group Limited was sold last year on 30 June 1983. The results of Premier for the three months have been excluded from the turnover and group profit for last year in order to facilitate comparison with the continuing activities of the group.

An interim dividend of 1.7p per ordinary share (1983 - 1.6p) will be paid on 4 March 1985 to shareholders registered at the close of business on 1 February 1985. Including tax credits this dividend is equivalent to 2.43p per share (1983 - 2.29p).

The Chairman, Mr. GARRY WESTON, reports:
 Worldwide sales increased by £153 million or 12 per cent, and the trading surplus has increased by 23 per cent to £46.1 million. The strong cash flow of our trading divisions has enabled the group to minimise borrowings, and interest charges for the period are lower than last year. The group profit at £43.5 million represents an increase of £8.9 million or 26 per cent.

The volatile conditions which have persisted in the bond and short-term money markets, particularly in the early months of the half year, are reflected in the low level of investment income of £10.1 million for the period. This is disappointing when compared with the high rates of return on investment income achieved last year. As a result of this and the fall out of profit from South Africa last year, profit before tax for the six months is £13 million lower at £53.6 million.

While capital expenditure has been maintained at a high level the reduction in capital allowances, and the withdrawal of stock, have had the effect of increasing substantially the United Kingdom tax charge for the half year compared with the corresponding period last year. The level of overseas tax has increased this year compared with last, and this has also adversely affected earnings.

After providing for taxation and substantially lower minority interests, the profit attributable to the company for the half year is £32 million compared with £33.5 million last year. The addition of £3.7 million for extraordinary items relates to the profit on sales of properties.

In the United Kingdom sales overall increased by 9 per cent, the principal contribution coming from our retail divisions where a sales increase of 13 per cent was achieved. All the main manufacturing divisions reported a satisfactory growth in turnover for the period with the exception of the bakery division which remained static in a highly competitive market. Trading profits in the United Kingdom increased from £23.8 million to £31.5 million. Whilst the major part of this increase was achieved by the group's retailing activities, improved results were also reported by the majority of the company's manufacturing divisions.

Overseas sales at £350 million, and trading profits at £14.6 million show an increase of £60 million and £2.8 million respectively. Currency realignment accounts for £24.4 million of the increase in turnover and £1 million of the increase in profits.

In Australia, George Weston Foods increased sales and trading profits by 11 per cent despite the continuing losses from the New South Wales bread operations. Since the end of the half year the company's poultry operations, which had adversely affected the group's results, have been sold. Australian results have been converted at 1.49 dollars to the £.

Whilst at trading level we are confident that the satisfactory start made by our operating divisions at home and overseas will continue into what is traditionally the more profitable half of the year, we are conscious that the higher effective rates of tax charged will continue to have an adverse impact at the net profit level.

Associated British Foods plc
 Weston Centre, 68 Knightsbridge, London SW1X 7LR

Craig & Rose hit by cuts in grant schemes

In their interim report the directors of Craig & Rose, paint manufacturers, say that since the early months of 1984 group sales have been considerably affected in certain areas by reductions of government grants to the public and private sectors.

The continuing strike in the mining industry has also had a marked effect on some of Craig's customers.

Sales for the opening half of 1984 at £2.37m showed a decrease of some 8 per cent over the corresponding period's £2.58m although some of the lost turnover was at restricted margins.

It is pointed out that pre-tax profits for the half year of £84,000, which is approximately 8 per cent lower than the annual rate for 1983.

The directors say that the conditions referred to in the annual report issued last June are still evident and that there is no indication at present of any improvement in the economic depression in the contracting industry.

Severe competition continues to restrict the group's ability to increase selling prices sufficiently to cover rises in raw material and other costs although measures have already been taken to contain wherever possible the effects on the group's own position.

The interim dividend is being held at 8p net per £1 share. Subject to unforeseen circumstances a second interim of not less than 3p (same) is expected to be declared.

First half tax took £12,000 (£28,000) and earnings amounted to 50p (66p).

For the 1983 year as a whole £140,000 (£206,000). Turnover was little changed at £4.95m (£4.92m).

Cramphorn profit up by £200,000

With unusually fine weather in the autumn and spring periods included in the 53 weeks to July 7 1984, Cramphorn, the U.S.-based garden and pet supplies retailer, has lifted pre-tax profits by nearly £200,000.

The final result was £270,000 compared with £77,000 for a 52 week period, from sales up by more than £2m at £13.64m (£11.52m). The directors state that sales in the first three months of the current year were some 5 per cent up on last year.

The final dividend is 3.5p net per share against an equivalent 3.33p adjusted for the capital reorganisation last June. The total is effectively raised by 24 per cent to an adjusted 5.167p. After tax at £220,000 (£94,000) earnings per 50p share are quoted as 24.2p against an equivalent 19.85p.

W. A. Tyzack recovery is maintained

W. A. Tyzack, the Sheffield-based precision engineer, has consolidated the recovery reported at midway and has achieved its first full year taxable surplus since the 1979-80 year.

The result in the period to July 31 1984 was a profit of £250,793 against a comparable £13,324 loss, and follows on from the interim turnover of over £250,000 back to profits of £110,490.

The improvement is accompanied by a 0.6p boost in the final dividend to 1p net per share, to give a total of 1.5p for the year. Earnings per share are stated as 3.38p compared with a loss of 0.34p.

The return to profit came out of turnover which rose by £1.24m to £6.28m.

Notice of Dividend Wright-Hargreaves Mines, Limited

Notice is hereby given that a dividend of 5 cents per share on the common shares of the corporation has been declared payable on the 7th day of December, 1984, to shareholders of record at the close of business on the 16th day of November, 1984.

Unregistered holders of shares are urged to have their holdings registered in their own names before November 16. This may be done by contacting the transfer agent of the Company by certified mail or hand delivery, at: The Permanent, 20 Eglinton Avenue West, Toronto, Ontario, M4R 2E2 during regular office hours.

DATED the 29th day of October, 1984.
 Ian T. H. Hamilton
 Senior Vice-President and General Counsel

Notice of Dividend Little Long Lac Gold Mines Limited

Notice is hereby given that a dividend of 10 cents per share on the common shares of the corporation has been declared payable on the 7th day of December, 1984, to shareholders of record at the close of business on the 16th day of November, 1984.

Unregistered holders of shares are urged to have their holdings registered in their own names before November 16. This may be done by contacting the transfer agent of the Company by certified mail or hand delivery, at: The Permanent, 20 Eglinton Avenue West, Toronto, Ontario, M4R 2E2 during regular office hours.

DATED the 29th day of October, 1984.
 Ian T. H. Hamilton
 Senior Vice-President and General Counsel

Notice of Dividend Lake Shore Mines, Limited

Notice is hereby given that a dividend of 15 cents per share on the common shares of the corporation has been declared payable on the 7th day of December, 1984, to shareholders of record at the close of business on the 16th day of November, 1984.

Unregistered holders of shares are urged to have their holdings registered in their own names before November 16. This may be done by contacting the transfer agent of the Company by certified mail or hand delivery, at: The Permanent, 20 Eglinton Avenue West, Toronto, Ontario, M4R 2E2 during regular office hours.

DATED the 29th day of October, 1984.
 Ian T. H. Hamilton
 Senior Vice-President and General Counsel

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BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Official indications are not given as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's results.

TODAY		
Amberley	Nov 7	
Anglo American Coal	Nov 13	
British and Commonwealth Shipping	Nov 13	
Caledonia Investments	Nov 8	
Commercial and Industrial Tel.	Nov 7	
Geors Group	Nov 14	
Great Portland Estates	Nov 14	
International Signal	Nov 12	
Curwich Investment Trust	Nov 12	
Ranold	Nov 8	
Finis	Nov 8	
Clyde Blowers	Nov 9	
Fanner (A.H.)	Nov 9	

LADBROKE INDEX

Based on FT Index
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WALL STREET

Firm start in face of heavy agenda

FINANCIAL markets on Wall Street moved firmly into a week primed with drama both for investors and for the nation at large, writes Terry Byland in New York.

Further falls in short-term interest rates stimulated a rise of nearly a 1/2 point in the bond market and lifted the stock market to its highest level for seven weeks.

Turnover in stocks, sluggish at first, increased as prices moved ahead. By the close the Dow Jones industrial average showed a gain of 12.59 at 1,229.24, a level last seen on September 17.

The day's shares traded total, at \$4.9m, was below Friday's figure but compared well with recent levels.

Equally significant for the investment community will be tomorrow's meeting of the Federal Reserve Open Market Committee, after a week of plunging short-term interest rates and market anticipation that the Fed will move to ease credit policy again.

In the credit markets, short-term rates fell heavily again, stimulated by a fall in the federal funds rate to 9% per cent.

The Fed came into the market with three-day repurchase arrangements when the rate touched 9% per cent. The arrangements appeared to be intended to carry the market over election day when credit will be curtailed by the closure of the federal banks.

Stock markets will remain open for business today as Americans elect the next President, but with the banks closed, the bond market will be dormant.

At midsession, three-month Treasury bills were down by 30 basis points to 8.86 per cent ahead of the day's regular auction, this week of \$13.6bn of bills.

Bond prices moved erratically within narrow limits as traders balanced their positions.

In the stock market, turnover was subdued with the number of large block trades - the indicator of institutional interest - sharply down on recent levels.

The market was enlivened, however, by a batch of special situations. Donaldson, Lufkin, Jenrette, 12th largest of the Wall Street securities firms, jumped 2 1/4% to \$29 1/4 on the announcement of a \$30-a-share merger plan agreed with Equitable Life Assurance. Turnover in Donaldson included a 750,000 share block.

Prentice-Hall, the book publisher, was suspended at \$51 1/4 on both the American and Boston stock exchanges, after the announcement of a \$70-a-share offer from Gulf Western Industries. A price of \$85-\$70 was indicated in the market as a new starting price for Prentice.

Tenneco was among the most actively traded stocks with a series of block trades boosting turnover to more than 2m shares, although the price held unchanged at \$35 1/4. Other oil stocks were mixed.

Early warning of falling sales of home computers this Christmas unsettled technology stocks. Commodore International, reportedly suffering a 10 to 30 per cent sales dip, fell 1 1/4% to \$25.

But Coleco, 3 1/4% firmer at \$18 1/4, continued to rally after the recent increase in prices for its Adam computer.

After announcing that it was close to arranging for a capital infusion, Storage Technology, which filed for Chapter 11 protection last week, put on 5 1/4% to \$30. Advanced Micro Devices gained 3 1/4% to \$30.

Higher profits put 5 1/4% on Allegheny Corporation at \$85. Texas Air at \$9 eased 5 1/4% also after trading results. The disclosure that the Bass family has taken a 7 per cent stake in the preferred shares lifted common stock in LTV by 5 1/4% to \$10 1/4.

Money market rates continued to slide lower on the market expectation that the Fed will ease policy after the presidential election. But the bond market traded sluggishly, and the price of the key long bond at 108 1/4 was only slightly firmer than on Friday.

LONDON

Lower base rate signal boosts gilts

GILT-EDGED investments posted their 12th consecutive advance in London yesterday after the Bank of England cut all four bands of its UK money market intervention rates, signalling the prospect of lower base lending rates.

Equity investors adopted a more cautious stance, and the FT Industrial Ordinary index shed 4.5 of last week's 34.4 advance to close at 903.1.

Losses among index constituents were mostly restrained although British Petroleum dipped 10p to 473p, unsettled by reports of cracks in the recent Opec agreement.

Renewed domestic and foreign support took government securities up more than a point at one stage before profit-taking, ahead of today's money supply figures, brought quotations off their best levels. Sterling's continued improvement against the dollar also generated confidence.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36-37

TOKYO
Institutions assist new run to peak

THE FIRM undertone established last week continued in Tokyo yesterday, and investors sought a wide variety of issues, pushing the Nikkei-Dow average above the 11,300 level for the first time, writes Shigeo Nishitruki of Jiji Press.

The indicator chalked up a 124.13 gain to close at 11,374.06, surpassing the previous peak of 11,252.96 registered on October 31. But volume shrank from Friday's 410.98m shares to 359.77m, and advances led declines 473 to 261, with 146 issues unchanged.

The market was not as heated as the index's advance - 204.52 points in the last two trading sessions - might suggest. Many leading brokers attributed the buying to an improved supply-demand ratio arising from increasing buying by institutional investors and to anticipation of a Wall Street rally in the wake of the expected re-election of President Ronald Reagan.

However, many of the stocks bought yesterday were second-rate issues, and the brokers' explanation sounded unconvincing.

Conspicuous gainers were non-life insurance issues. Sumitomo Marine and Fire Insurance added Y19 to Y549 following non-residents' buying of 700,000 shares. Tokio Marine and Fire gained Y18 to Y893.

Large-capital steels and shipbuilders also firmed. Non-residents purchased 3m Nippon Steel, 1m Kawasaki Steel and 2.5m Mitsubishi Heavy Industries (MHI) shares, apparently on expectations of exchange gains from the yen's advance against the dollar.

Nippon Steel, the most actively traded issue with 27.31m shares changing hands, rose Y3 to Y157, while the second-placed MHI gained Y4 to Y242.

Issues with off-the-book assets were also among the gainers. Nippon Express and Mitsubishi Warehouse finished Y8 up at Y325 and Y20 up at Y310, respectively.

Mochida Pharmaceutical, which has been undergoing violent price fluctuations, plummeted by a daily limit of Y500

in the morning but rebounded to close at Y14,400, up Y300.

Among biotechnology-related stocks, Kagome soared Y85 to Y1,060 and Kikkoman Y25 to Y883. Speculator interest boosted Dainippon Pharmaceutical by Y340 to Y5,810. As for laggards, Shintom jumped Y75 to Y1,000, reflecting brisk exports of automobile audio equipment to the U.S., while Meidensha Electric closed Y21 higher at Y302.

Good prices eased off in thin trading. Investors kept a low profile despite the yen's advance. Government bonds with a coupon rate of 6.1 per cent traded at a yield of 6.600 per cent, down from Friday's 6.820 per cent, but the yield on the benchmark 7.3 per cent government bonds maturing in December 1993 rose from 6.640 per cent to 6.865 per cent.

EUROPE

Bright spots amid a subdued tone

A SUBDUED tone was evident on many European hours, with the notable exception of West Germany, although a number of shares managed to reach new highs for the year in some centres.

Lively trading in Frankfurt took the Commerzbank index 3.2 higher to 1,086.9 on the strength of a firmer bond market and hopes of lower interest rates.

A number of new 1984 highs were scored in banks. Deutsche Bank rose DM 7.20 to DM 383. Dresdner DM 2.70 to DM 184.20 and Bayerische Hypobank DM 3.50 to DM 308.50.

Karstadt led a buoyant stores sector with a DM 9 rise to DM 243. Horten added a respectable DM 7.50 to DM 181 and Kaufhof DM 6 to DM 231.

Firmer steels saw Thyssen set the pace with a DM 3.70 rise to DM 82.30 while government proposals to reduce its stake in Lufthansa took the airline DM 3 up to a new high for the year of DM 175.50.

Allianz continued to be the subject of suggestions of a major restructuring but the insurer held steady at DM 1,000.

Domestic bonds saw gains of up to 30 basis points as the Bundesbank sold DM

15.4m of paper after Friday's DM 73.3m. The central bank also accepted bids for DM 9.3bn at yesterday's tender for a 27-day securities repurchase plan to add liquidity to the domestic money market at an interest rate of 5.7 per cent.

Bourse turnover in October set a new record, up 39.3 per cent to DM 18bn. Turnover for the first 10 months of the year has now reached DM 101.2bn, an 8.2 per cent rise over last year's total of DM 93.5bn.

Amsterdam trading focused on Akzo, which reported improved third-quarter profits and encountered a 10-cent fall to Fl 102.30. Turnover was also heavy in Philips, hit by a bout of selling by foreign investors and clipping Fl 1.50 off its price to Fl 55.20.

Royal Dutch shed the same amount to Fl 189.20 on continuing discussions of the future of its 320,000 h/d Curacao refinery. Progress, however, was made elsewhere. Amev hit a 1984 peak of Fl 191.50 with a 40-cent gain while Boskalis rose Fl 1.50 to Fl 15.80.

The ANP-CBS General index slipped 0.4 to 178.3, but the bond sector was barely changed.

A technical reaction took Brussels further off its recent highs. Chemicals were weaker including Tessenderlo which announced much stronger first-half profits. It fell Bfr 55 to Bfr 3,400.

Several new highs for the year were nevertheless achieved. Royal Beige gained Bfr 30 to Bfr 9,930. Wagons-Lits, at Bfr 5,390, was also Bfr 30 higher while Delhaize held steady at its 1984 peak of Bfr 6,050.

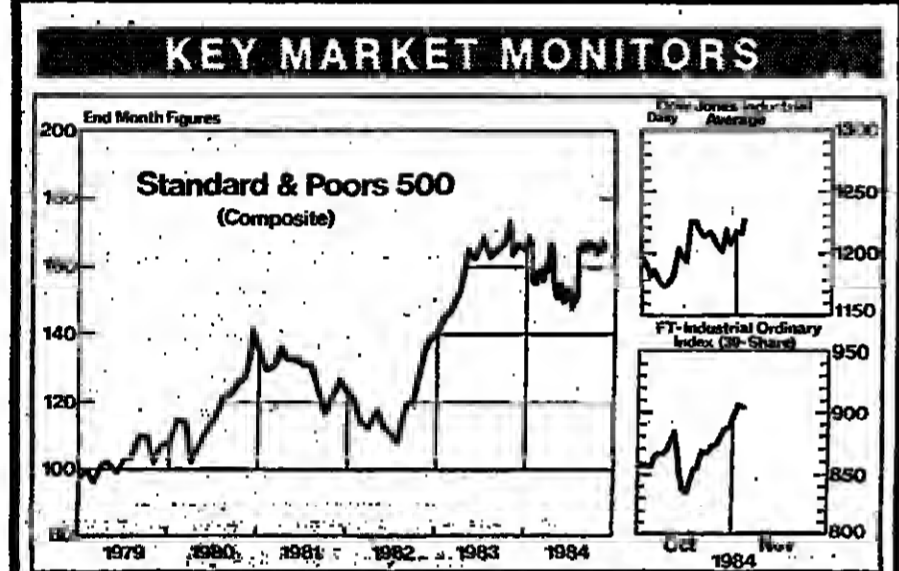
Pan Holdings crossed the five-figure threshold again with a Bfr 50 advance to Bfr 10,000 while Intercom managed a Bfr 15 gain to Bfr 2,170.

A mixed Zurich featured UBS, up SwFr 40 SwFr 3,500 amid plans to take over London brokers Phillips and Drew. Trading mood was aided by a 1/2 point drop in customer time deposit rates to 4%. Bonds were higher despite the weaker trend in U.S. credit markets.

Paris ended firmer, with constructions, electricals and oils favoured. L'Oréal moved Ffr 24 ahead to Ffr 2,553 while Pernod Ricard improved by Ffr 14 to Ffr 758 amid a surge in first-half profit.

An opening rally in Milan was reversed although Fiat edged Lira up at Lira 1,910 and Italcement reached a new 1984 peak of Lira 12,900. Bonds were mostly firmer in active trading.

Chemicals led the advance in Madrid, while Stockholm was uninspired in dull trading.



STOCK MARKET INDICES

Table with columns: NEW YORK, Nov 5, Previous, Year ago. Rows: DJ Industrials, DJ Transport, DJ Utilities, S&P Composite.

LONDON

Table with columns: FT Ind Ord, FT-SE 100, FT-A All-share, FT-A 500, FT Gold mines, FT-A Long gilt.

TOKYO

Table with columns: Nikkei-Dow, Tokyo SE.

AUSTRALIA

Table with columns: All Ord, Metals & Mins.

AUSTRIA

Table with columns: Credit Aktien.

BELGIUM

Table with columns: Belgian SE.

CANADA

Table with columns: Toronto, Montreal Portfolio.

DENMARK

Table with columns: Copenhagen SE.

FRANCE

Table with columns: CAC Gen, Ind. Tendence.

WEST GERMANY

Table with columns: FAZ-Aktien, Commerzbank.

HONG KONG

Table with columns: Hang Seng.

ITALY

Table with columns: Banca Comm.

NETHERLANDS

Table with columns: ANP-CBS Gen, ANP-CBS Ind.

NORWAY

Table with columns: Oslo SE.

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Table with columns: Straits Times.

SOUTH AFRICA

Table with columns: Golds, Industrials.

SPAIN

Table with columns: Madrid SE.

SWEDEN

Table with columns: J & P.

SWITZERLAND

Table with columns: Swiss Bank Ind.

WORLD

Table with columns: Capital Int'l.

GOLD (per ounce)

Table with columns: London, Frankfurt, Zurich, Paris (f/bing), Luxembourg (f/bing), New York (Dec).

CURRENCIES

Table with columns: U.S. DOLLAR, STERLING, Yen, Ffr, SwFr, Guilder, Lira, Bfr, CS.

INTEREST RATES

Table with columns: Euro-currency, FT London Interbank, U.S. Fed Funds, U.S. 3-month CDs, U.S. 3-month T-bills.

U.S. BONDS

Table with columns: Treasury, Corporate, AT & T, Xerox, Federated Dept Stores, Alcoa.

FINANCIAL FUTURES

Table with columns: CHICAGO, U.S. Treasury Bonds (CBT), U.S. Treasury Bills (TMM), Certificates of Deposit (CDM).

LONDON

Table with columns: Three-month Euro-dollar, 20-year National Gilt.

COMMODITIES

Table with columns: Silver (spot fixing), Copper (cash), Coffee (Nov), Oil (spot Arabian light).

SOUTH AFRICA

GOLD SHARES extended last week's gains in Johannesburg amid foreign and domestic demand and in the wake of the higher bullion price.

Fifty-cent gains were recorded by Val Reef at R178.50, Southval at R79.50 and Buffelsfontein at R7.50. Randfontein Estates was unchanged at R209.

Mining holding companies and other mining stocks were also firmer, with Mineral and Resources, the holding company for Anglo American's foreign interests, firming 70 cents to R13.

Industrials were quietly steady in featureless trading, with market leader Barlow Rand 10 cents firmer at R10.50.

HONG KONG

EARLY GAINS were reversed in Hong Kong, leaving the Hang Seng index to close down 7.75 at 1,027.48 after a 3.48 rise at mid-morning.

Among leaders, Cheung Kong shed 20 cents to HK\$8.15 and Hongkong Land 3 cents to HK\$3.27. Sun Hung Kai Properties was unchanged at HK\$6.90.

In the banking sector, Bank of East Asia dropped 20 cents to HK\$20.80 and Hongkong Shanghai Bank 10 cents to HK\$6.55.

Elsewhere, Jardine Matheson lost 10 cents to HK\$7.50 and Hutchinson Whampoa 20 cents to HK\$14.20.

AUSTRALIA

THE FIRMER hullion price underpinned mining stocks in Sydney, helping shares to close firmer on the day. The market was also encouraged by the prospects of a fresh round of cuts in domestic and U.S. interest rates.

Among resource-related issues, BHP rose 5 cents to AS10.35 as the company said that it remained confident that further talks with China would result in long-term steel contracts.

Banks were also generally well supported, with National Bank up 12 cents to AS3.72 and Westpac 3 cents to AS4.08. However, ANZ fell 2 cents to AS5.38.

SINGAPORE

A LACK of buying interest left Singapore shares again lower on the day, after Friday's upturn, in quiet activity. The Straits Times index dipped 1.55 to 834.88.

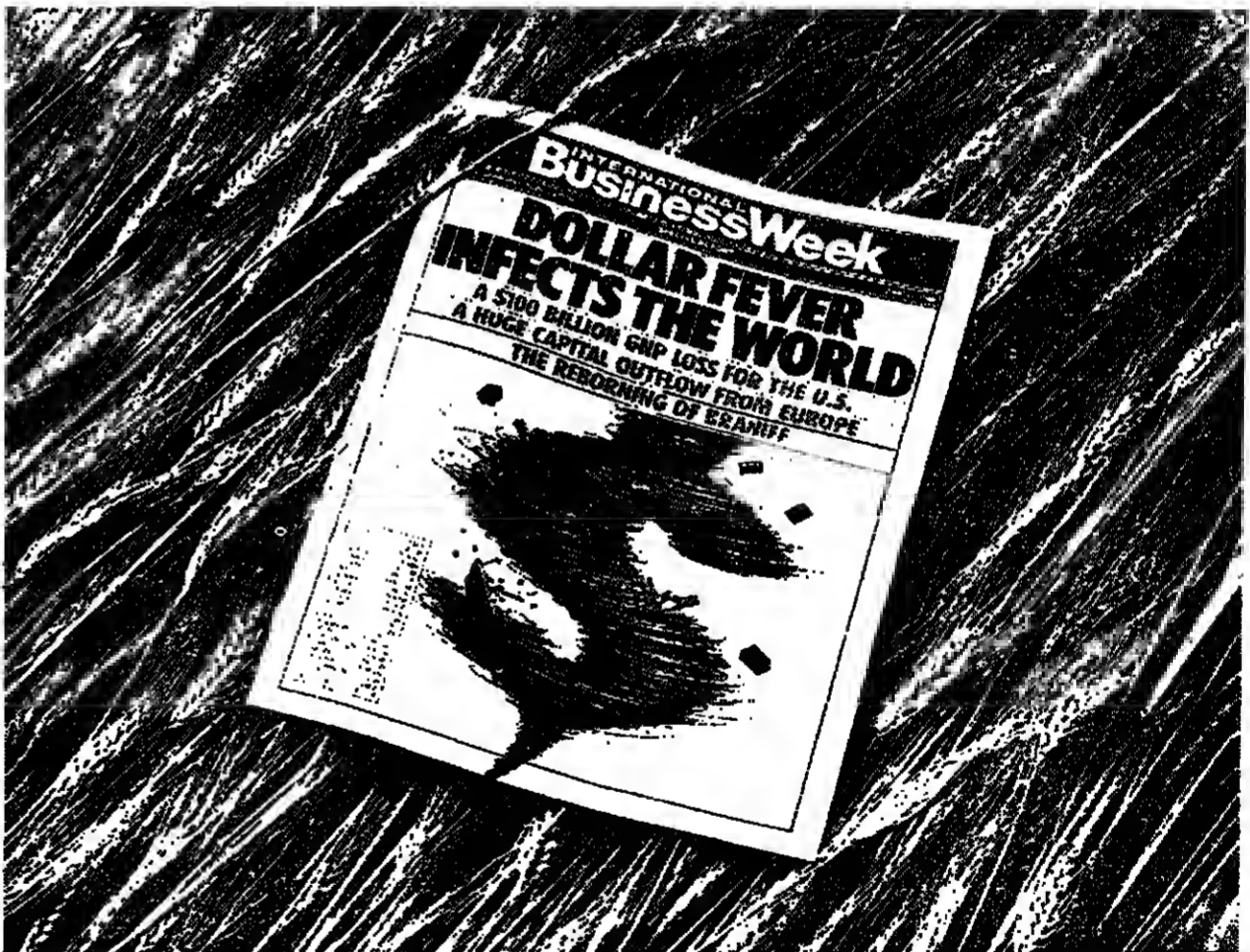
Pahang was the most actively traded issue, adding 8 cents to S\$1.24. But among other actives, Pan Electric shed 6 cents to S\$3.02.

Elsewhere, DBS lost 10 cents to S\$5.85, Hong Leong Finance 12 cents to S\$3.10, Singapore News 5 cents to S\$5.75 and Cycle and Carriage 4 cents to S\$2.98.

CANADA

SMALL gains posted by the golds, metals and oils sectors underpinned a broad advance in Toronto.

In Montreal, a higher overall tone emerged helped by a moderate firming in banking issues, but industrials and utilities posted marginal losses.



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Closing prices, November 5

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock market data with columns for stock symbols, prices, and changes. Includes sub-sections for 'Kidder, Peabody Securities Limited' and 'Market Makers in Euro-Securities'.

Continued on Page 33

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, November 5

Main table of American stock exchange closing prices, organized in columns by stock symbol, price, and change. Includes sub-sections like 'Continued from Page 32' and 'Continued on Page 34'.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York stock exchange closing prices, organized in columns by stock symbol, price, and change. Includes sub-sections like 'Continued from Page 32' and 'Continued on Page 34'.

Continued on Page 34

Notes: Figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has taken place, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual adjustments based on the latest declaration.

WORLD STOCK MARKETS

AUSTRIA

Table with columns: Nov. 5, Price, +/-, Stock names like Creditanstalt, BAWAG, etc.

DENMARK

Table with columns: Nov. 6, Price, +/-, Stock names like Andelsbanken, Balle Skano, etc.

GERMANY

Table with columns: Nov. 5, Price, +/-, Stock names like AEG Telefun, Allianz Versicherung, etc.

NETHERLANDS

Table with columns: Nov. 5, Price, +/-, Stock names like ADF Holding, Alkermid, etc.

FRANCE

Table with columns: Nov. 3, Price, +/-, Stock names like Emprunt 4% 1972, Emprunt 7% 1975, etc.

NORWAY

Table with columns: Nov. 5, Price, +/-, Stock names like Bergen's Bank, Borgund, etc.

SPAIN

Table with columns: Nov. 6, Price, +/-, Stock names like Banco Bilbao, Banco Central, etc.

SWEDEN

Table with columns: Nov. 5, Price, +/-, Stock names like AKA, Alfa Laval, etc.

SWITZERLAND

Table with columns: Nov. 6, Price, +/-, Stock names like Abusuisse, Bank Leu, etc.

AUSTRALIA

Table with columns: Nov. 6, Price, +/-, Stock names like AMZ Group, Alliance Oil, etc.

AUSTRALIA (continued)

Table with columns: Nov. 5, Price, +/-, Stock names like Gen Prop Trust, Hardie Energy, etc.

HONG KONG

Table with columns: Nov. 6, Price, +/-, Stock names like Bank East Asia, Bank of China, etc.

JAPAN

Table with columns: Nov. 5, Price, +/-, Stock names like Daiichi Kangyo Bank, Daiwa Bank, etc.

SOUTH AFRICA

Table with columns: Nov. 5, Price, +/-, Stock names like Abertom, Anglo American, etc.

MONTREAL

Table with columns: Closing prices November 5, Stock names like Bank Montreal, Bell Canada, etc.

JAPAN (continued)

Table with columns: Nov. 5, Price, +/-, Stock names like Daiichi Kangyo Bank, Daiwa Bank, etc.

SINGAPORE

Table with columns: Nov. 5, Price, +/-, Stock names like Boustead Nidga, Cold Storage, etc.

SOUTH AFRICA

Table with columns: Nov. 5, Price, +/-, Stock names like Abertom, Anglo American, etc.

MONTREAL

Table with columns: Closing prices November 5, Stock names like Bank Montreal, Bell Canada, etc.

MONTREAL

Table with columns: Closing prices November 5, Stock names like Bank Montreal, Bell Canada, etc.

OVER-THE-COUNTER

Table with columns: Stock, Price, +/-, Stock names like AEL, AEL, etc.

LONDON

Table with columns: Chief price changes, RISES, FALLS, Stock names like Tr 10% 89, Ex 12% 84, etc.

AMERICAN STOCK EXCHANGE

Table with columns: Closing prices, Stock names like 12 Month, High, Low, etc.

NEW YORK

Table with columns: Closing prices, Stock names like 12 Month, High, Low, etc.

INTERNATIONAL GUIDE TO THE ARTS

every Friday in the Financial Times

MARKET REPORT

Authorities' signal for lower base-lending rates excites Gilt-edged investors

Account Dealing Dates

*First Declared - Last Account Dealing Date...
Nov 3 Nov 3 Nov 19
Nov 12 Nov 22 Nov 23 Dec 9
Nov 26 Dec 6 Dec 7 Dec 17

The authorities gave the green light for lower base lending rates yesterday morning when the Bank of England cut all four bands of its money market intervention rates by a percentage point.

Three USM newcomers all made satisfactory debuts. Chemical materials concern CVD Incorporated opened at 115p and moved up to 126p compared with the placing price of 105p.

Renewed domestic and foreign support forced Government securities up over a point at one stage before profit-taking ahead of today's money supply figures brought quotations away from the best Sterling's continued improvement.

Many equity buyers appeared reluctant to enter into fresh trading commitments as the UK industrial relations scene remained so unsettled.

Prospects of a good situation for the FT 1000 stock index were highlighted by the latest market strength; applications for the stock, Exchequer 9 per cent 1986, 520 available at a minimum tender price of 93.50, must be submitted by 10.00 am tomorrow.

Many equity buyers appeared reluctant to enter into fresh trading commitments as the UK industrial relations scene remained so unsettled.

Clearers easier Adverse comment on the international debt situation unsettled the major clearing banks.

345p to finish unchanged on the day at 350p. Elsewhere, Hill Samuel, recently supported on hopes of a bid from Bats, slipped 8 to 289p; the interim results are scheduled for Friday.

Derek Bryant, still excited by the near-7 per cent stake recently taken up by Prudential, jumped 17 more to 380p. Other Elvost's Brokers, however, cheapened on currency considerations.

Three USM newcomers all made satisfactory debuts. Chemical materials concern CVD Incorporated opened at 115p and moved up to 126p compared with the placing price of 105p.

Renewed domestic and foreign support forced Government securities up over a point at one stage before profit-taking ahead of today's money supply figures brought quotations away from the best Sterling's continued improvement.

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Clearers easier Adverse comment on the international debt situation unsettled the major clearing banks.

House of Fraser up House of Fraser held the line after a 10p rise to 410p, reflecting the proposed acquisition of an 85 per cent interest in IST Sales and Tradlog.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index, Nov 6, Nov 5, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: Government Secs, Fixed Interest, Industrial Ord, Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns: High, Low, High, Low, S.E. Activity. Rows: Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

figure prominently if this should be the case fuelled speculative demand for Fraser which closed 10 up at 289p.

Recently firm Food Retailers turned easier. Sainsbury's countered selling in front of today's half-term and closed 8 down at 300p.

Interest in the Engineering sector failed to expand from the recent low level. Secondary Bath & Portland bid

Interest in miscellaneous industries was enlivened by a jump of 41 to 266p in Bath and Portland on news of a cash and share exchange offer from C. H. Beazer.

Gold continue recovery South African Golds and related issues led the way in the recovery.

Overseas Traders plotted an increase in this area. Williams Jacks improved 21 to 32p, but Mills and Allen gave up 10 to 285p.

European Options Exchange Series Nov. Last. Vol. Last. Vol. Last. Vol. Last. Stock

ABN C F1.390 52. 6.80 B. ABN P F1.900 61. 1.80 B. AEGN F1.150 8. 8.00 B.

TOTAL VOLUME IN CONTRACTS: 17,395 A=Ask B=Bid C=Call P=Put

Smiths Industries were again noticeably for a fresh rise of 16 to 633p, but Valor, a good market of late, drifted back 4 to 196p.

South African Financials responded to the improved sentiment and "Amgold" rose 11 to 275p, while Transvaal Consolidated Land rose 11 to 222p.

Proceedings in London-domiciled Financials again centred on Rio Tinto Zinc which responded to UK "rail" option business with a gain of 7 to 812p.

Time continued to highlight Geestric which advanced 12 for a two-day gain to 210p with weekend Press comment generating further takeover speculation.

Oil shares made a drab show. As the market expressed concern about whether the recently concluded Opec agreement would hold.

Irish oil exporters had another volatile session, notably Tuskar Resources which, after touching 44p initially, came under selling pressure on adverse drilling rumours.

Overseas Traders plotted an increase in this area. Williams Jacks improved 21 to 32p, but Mills and Allen gave up 10 to 285p.

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EQUITIES

Table with columns: Issue, Price, High, Low, Stock, etc. Rows: 1116 F.P., 1140 F.P., 1180 F.P., etc.

FIXED INTEREST STOCKS

Table with columns: Issue, Price, High, Low, Stock, etc. Rows: 91.57-92.00, 91.57-92.00, 91.57-92.00, etc.

"RIGHTS" OFFERS

Table with columns: Issue, Price, High, Low, Stock, etc. Rows: 166 F.P., 181 F.P., 210 F.P., etc.

NEW HIGHS AND LOWS FOR 1984

Table with columns: Issue, Price, High, Low, Stock, etc. Rows: 166 F.P., 181 F.P., 210 F.P., etc.

RISES AND FALLS YESTERDAY

Table with columns: Rise/Fall, Price, High, Low, Stock, etc. Rows: Corp. Bond, Foreign Bond, Industrial, etc.

LONDON TRADED OPTIONS

Table with columns: Option, Price, High, Low, Stock, etc. Rows: Imperial Oil, LORNO, P.O., etc.

Table with columns: Option, Price, High, Low, Stock, etc. Rows: LORNO, P.O., RACON, etc.

Table with columns: Option, Price, High, Low, Stock, etc. Rows: RACON, R.T.Z., VAL, etc.

Table with columns: Option, Price, High, Low, Stock, etc. Rows: VAL, BANGHAM, DE BEERS, etc.

Table with columns: Option, Price, High, Low, Stock, etc. Rows: DE BEERS, GUEST KEEN, HANSON, etc.

Nov. 5. Total Contracts: 5,199, Calls 3,926, Puts 1,273. Underlying security prices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Index, Nov 5, Nov 4, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: EQUITY GROUPS & SUB-SECTIONS, FT-50 SHARE INDEX

Table with columns: Index, Nov 5, Nov 4, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: CAPITAL GROUPS (285), Building Materials (23), etc.

Table with columns: Index, Nov 5, Nov 4, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: 1 CAPITAL GROUPS (285), 2 Building Materials (23), etc.

Table with columns: Index, Nov 5, Nov 4, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: 51 500 SHARE INDEX (280), 52 FINANCIAL GROUP (138), etc.

Table with columns: Index, Nov 5, Nov 4, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: 67 Insurance (Composite) (8), 68 Property (54), etc.

Table with columns: Index, Nov 5, Nov 4, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: 71 Investment Trust (105), 72 Mining (14), etc.

Table with columns: Index, Nov 5, Nov 4, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: 73 OVERSEAS TRADERS (14), 74 ALL-SHARE INDEX (284)

Table with columns: Index, Nov 5, Nov 4, Nov 1, Oct 31, Oct 30, Oct 29, Year ago. Rows: 8 All stocks, 9 All shares

*FT Act. Highs and low record, base dates, values and constituent changes are published in Saturday Issues. A list of constituents is available from the Publishers, the Financial Times, Bankers House, Cannon Street, London, EC4A 3DF, price 15p, plus p.p. 25p.

FT LONDON SHARE INFORMATION SERVICE

WOLSELEY HUGHES logo and text: From Falkirk to Florida we're growing from strength to strength. Plumbing and Heating Engineers in the U.K. and U.S. Agricultural Machinery, Engineering, Plastics.

BRITISH FUNDS table with columns for Stock, Price, and % Chg. Includes sub-sections for 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years'.

Over Fifteen Years table with columns for Stock, Price, and % Chg. Lists various long-term investment funds.

Undated and Index-Linked tables with columns for Stock, Price, and % Chg. Includes a note: Provisional real returns are based on the assumption of a 12% per year inflation rate...

INT. BANK AND O'NEALS GOVT STERLING ISSUES table with columns for Stock, Price, and % Chg.

CORPORATION LOANS table with columns for Stock, Price, and % Chg.

COMMONWEALTH AND AFRICAN LOANS table with columns for Stock, Price, and % Chg.

LOANS Building Societies table with columns for Stock, Price, and % Chg.

Public Board and Ind. table with columns for Stock, Price, and % Chg.

Financial table with columns for Stock, Price, and % Chg.

FOREIGN BONDS & RAILS table with columns for Stock, Price, and % Chg.

AMERICANS

AMERICANS table with columns for Stock, Price, and % Chg. Lists various American stocks.

BEERS, WINES—Cont.

BEERS, WINES—Cont. table with columns for Stock, Price, and % Chg.

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY, TIMBER AND ROADS table with columns for Stock, Price, and % Chg.

DRAPERY & STORES—Cont.

DRAPERY & STORES—Cont. table with columns for Stock, Price, and % Chg.

ELECTRICALS

ELECTRICALS table with columns for Stock, Price, and % Chg.

ENGINEERING—Continued

ENGINEERING—Continued table with columns for Stock, Price, and % Chg.

HOTELS—Continued

HOTELS—Continued table with columns for Stock, Price, and % Chg.

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) table with columns for Stock, Price, and % Chg.

CANADIANS

CANADIANS table with columns for Stock, Price, and % Chg.

BANKS, HP AND LEASING

BANKS, HP AND LEASING table with columns for Stock, Price, and % Chg.

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS table with columns for Stock, Price, and % Chg.

BEERS, WINES AND SPIRITS

BEERS, WINES AND SPIRITS table with columns for Stock, Price, and % Chg.

DRAPERY AND STORES

DRAPERY AND STORES table with columns for Stock, Price, and % Chg.

FOOD, GROCERIES, ETC

FOOD, GROCERIES, ETC table with columns for Stock, Price, and % Chg.

HOTELS AND CATERERS

HOTELS AND CATERERS table with columns for Stock, Price, and % Chg.

Handwritten signature or mark at the bottom center of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Steel, British Airways, and various manufacturing firms. Columns include stock name, price, and change.

LEISURE—Continued

Table of leisure and entertainment stocks including British Telecom, British Gas, and various service companies.

PROPERTY—Continued

Table of property and real estate stocks including various investment trusts and real estate companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various funds and trusts offering different asset classes.

OIL AND GAS—Continued

Table of oil and gas stocks including various energy companies and exploration firms.

NOMURA INTERNATIONAL LIMITED NEW-ERA INVESTMENT AND UNDERWRITING OFFICES WORLDWIDE 5 Gracechurch Street EC3V 0AD Telephone (01) 283 8811

MINES—Continued

Table of mining stocks including Central African, Australian, and various international mining companies.

SHIPPING

Table of shipping stocks including various maritime and logistics companies.

SHOES AND LEATHER

Table of shoes and leather goods stocks including various retail and manufacturing firms.

SOUTH AFRICANS

Table of South African stocks including various companies from that region.

TEXTILES

Table of textile stocks including various clothing and fabric manufacturers.

TOBACCO

Table of tobacco stocks including various tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various investment vehicles.

PROPERTY

Table of property stocks including various real estate investment trusts.

INSURANCES

Table of insurance stocks including various insurance companies.

LEISURE

Table of leisure stocks including various entertainment and service companies.

INDUSTRIALS

Table of industrial stocks including various manufacturing and service firms.

OVERSEAS TRADERS

Table of overseas trading stocks including various international trade companies.

PLANTATIONS

Table of plantation stocks including various agricultural and land management firms.

NOTES

Notes section providing additional information and commentary on the market and specific stocks.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including various companies from these areas.

OPTIONS—3-month call rates

Table of 3-month call option rates for various stocks and indices.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including various precious metal companies.

RECENT ISSUES & RIGHTS

Table of recent issues and rights offerings for various companies.

RECENT ISSUES & RIGHTS

Table of recent issues and rights offerings for various companies.

RECENT ISSUES & RIGHTS

Table of recent issues and rights offerings for various companies.

RECENT ISSUES & RIGHTS

Table of recent issues and rights offerings for various companies.

38 AUTHORIZED UNIT TRUSTS

Table listing various authorized unit trusts such as Abbey Unit Trst Mgmt, British Funds, and others, with columns for name, manager, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing numerous unit trusts like Franklin Unit Mgt Ltd, Key Fund Managers Ltd, and others, including their managers and performance data.

Financial Times Tuesday November 6 1984

Table of General Portfolio Life Ins. PLC, listing various insurance products and their details.

Table of Clinical Medical/Fidelity International, listing medical and fidelity-related services.

Table of Growth & Soc. Life Assn. Ltd, listing growth and social life assurance products.

Table of Commercial Unit Trust Mgmt, listing commercial unit trust management services.

Table of Wardsley Unit Trust Managers Ltd, listing Wardsley unit trust management services.

Table of Wetherby Asset Management Ltd, listing Wetherby asset management services.

Table of Wetherby Unit Trust Managers, listing Wetherby unit trust management services.

Table of Wetherby Asset Management Ltd (continued), listing further details on Wetherby services.

Table of Wetherby Unit Trust Managers (continued), listing further details on Wetherby unit trusts.

Table of Wetherby Unit Trust Managers (continued), listing further details on Wetherby unit trusts.

Table of Wetherby Unit Trust Managers (continued), listing further details on Wetherby unit trusts.

Table of Wetherby Unit Trust Managers (continued), listing further details on Wetherby unit trusts.

F.T. CROSSWORD PUZZLE No. 5,562

- ACROSS
1 First sign of frost—harsh and cold (6)
4 Break trophy? That's eccentric (8)
9 Cancel the minister (Yes, English) (6)
10 Usual quality flagging? (5)
12 Rough rags bind the outlaws (4)
13 Top class turns in supply (relating to offspring) (6)
15 (Idiot told off) (4)
16 Cricketer and French runner (7)
17 Ad I must broadcast for sports fixtures (7)
18 Journey to an old city (4)
19 Time runner who follows certain lines (6)
20 Hard rain splashing about old lady (8)
21 Short pratt in tin, say, pertaining to measurement (8)
22 To produce work providing relief (6)
23 Doe's part of arch? (8)
24 Kind of opportunity, wedding? (6)
DOWN
14 Country the girl's giving suit to (7)
17 A heathen, I announce contribution from Attica (8)
18 Successful burner, of course! (8)
19 Plenty of dollars on him, relatively (8)
22 Puff (out) on rucs (turning up afterwards) (6)
23 Quick—throw less likely to ruff! (6)
24 Depart like a child? (6)
25 Supplemental details to total final on— (7)

Crossword puzzle grid with numbers indicating starting positions for the clues.

Solution to Puzzle No. 5,561

Solution to puzzle No. 5,561, showing the filled-in crossword grid.

Table listing various unit trusts and their performance metrics, including names like National Provident Unit Mgmt and others.

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Large advertisement for 'KAZA' featuring a stylized logo and promotional text.

Handwritten note: "Just in time"

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including: Liberty Life Assurance Co Ltd, National Provident Institution, and various international investment funds.

Table of insurance and overseas funds including: Sun Life of Canada, Sun Life of New Zealand, and various international investment funds.

Table of insurance and overseas funds including: Sun Life of Canada, Sun Life of New Zealand, and various international investment funds.

Table of money market and trust funds including: Money Market, Trust Funds, Money Market, and Bank Accounts.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds including: Offshore Investment Fund SA, Adly Investment, and various international investment funds.

Money Market

Trust Funds

Money Market

Bank Accounts

Table of money market and bank accounts including: Money Market, Trust Funds, Money Market, and Bank Accounts.

COMMODITIES AND AGRICULTURE

Firm sterling causes fall in aluminium prices

BY RICHARD MOONEY

AFTER ATTEMPTING another rally in early dealings, the London Metal Exchange aluminium market fell back again yesterday. The cash quotation, which last week rose to the previous week's £77 rise, edged £7.50 down at £99 a tonne.

Dealers said yesterday's fall was largely due to sterling's firmness against the dollar. News that stocks of aluminium held in LME registered warehouses fell 1,300 tonnes last week to 142,200 tonnes had only a marginal impact on sentiment, they added.

Sterling's strength also pushed other LME metals prices lower, with cash high grade copper ending £2.50 down at £1,088.50 a tonne and cash zinc losing £4 to £633.75 a tonne. Nickel continued its recent slide and the cash price finished £20 down at £3,792.50 a tonne.

The exception to the easier trend was lead which edged £13.25 up in the cash position at £51.75 a tonne.

Dealers attributed this strong performance mainly to last week's 2,250 tonnes fall in LME

LONDON METAL EXCHANGE
WAREHOUSE STOCKS
(Changes in week ending Nov. 3)

Aluminium	-1,300 to 142,200
Copper	-7,525 to 155,525
Lead	-2,250 to 40,450
Nickel	+186 to 11,844
Tin	+70 to 22,740
Zinc	+250 to 35,975
(tonnes)	
Silver	-918,000 to 57,34m
(tray ounces)	

stocks which took them to 40,450 tonnes.

f.p.r.i.m. (Treasury) et al et al et al
International Tin Council
quotas are having little impact in supporting the world tin market, according to Sudjatniko, the Chief Director of Indonesia's state-owned tin company PT Timah, reports Reuter.

At a Press conference in Jakarta he said the market was sluggish due to high stocks, tin smuggling, higher output by non-ITC countries and U.S. stockpile releases.

Sudjatniko said PT Timah planned to stockpile its tin at

Batam Island rather than in Singapore before export. Batam is near Singapore and has been designated a special development economic zone.

The state-owned company planned to make Batam Island the centre of its logistics activities, with repairs of Timah's vessels being carried out at Batam instead of Singapore, he said. No date was given for the move.

Sudjatniko put world tin stocks at around 68,000 tonnes, down 4,000 tonnes from three months ago, but said they should be lower in view of the ITC quotas. He said Indonesia was exporting around 18,000 tonnes annually, in line with ITC rules.

Around 12,000 to 13,000 tonnes of smuggled tin was entering the world market every year, he estimated.

Among the non-ITC countries, Brazil was producing 16,000 to 17,000 tonnes this year compared with 13,000 tonnes last year and Bolivia had increased output to 22,000-23,000 tonnes from 17,000 tonnes, he claimed

S. Africa backs wine campaign

THE SOUTH African Government is backing a multi-million pound campaign to boost the sale of its wines in the UK. From this month the Government and members of the Cape Wine and Spirit Exporters Association plan to spend more than £500,000 a year at least until 1987 to increase sales in the UK, which have fallen heavily in the last few years.

South African Sherry sales have dropped by 8 per cent since Britain joined the EEC and import duties were imposed. Sales have fallen from 1m cases in 1973 to 200,000 last year.

COFFEE RUST disease has been detected for the first time in Venezuela on a farm near the Colombian border. Sr Felipe Gomez Alvarez, Agriculture Minister, said. Coffee rust, which causes defoliation and reduces production, was originally introduced to Brazil and Africa and subsequently spread to Colombia.

U.S. ROASTINGS of green coffee in the week ended October 27 were about 350,000 (50 kg) bags, including soluble production, compared with 345,000 in the corresponding week of last year, George Gordon Paton said.

Roastings for the year to October 27 totalled 13.88m bags against 13.49m last year.

Sarah Pharo on irrigation schemes to grow soft fruit and vegetables Cyprus aims at unseasonal tastes

OUT OF SEASON fresh vegetables and soft fruit from Cyprus will soon be on sale throughout Britain with the first strawberries here for Christmas.

Large-scale irrigation projects, partly funded by the World Bank, are due to bring nearly 10,000 extra hectares of land into full production inside the next 10 years at an estimated cost of nearly £400m.

Cyprus already has a reputation for high quality early potatoes—mostly grown from seeds originating from the UK. They supplement the market here before home supplies are ready, usually from late March to June.

The island hopes to build other vegetable and fruit exports on that success. As well as strawberries it plans to send more tomatoes, asparagus, aubergines, cucumbers, celeriac, and various lettuces, peas, courgettes and broadway melons.

New crops are under trial at government experimental farms all the time—avocados, passion and leek fruit and the popular iceberg lettuce should all be here within the next 12

months. The first raspberry varieties are being planted and should fruit next year.

Lack of water is the island's greatest problem. Many areas are without appreciable rain for nine months of the year and the soil is so dry some crops would be impossible to grow.

Potatoes are the biggest single agricultural export—with nearly 140,000 tonnes exported this year—but every acre has to be irrigated, the highest single cost of production.

The first irrigation scheme, in the west part of the island at Pafos, is fully operational and has cost nearly £100m. This year 4,000 hectares of land have had full irrigation, much for the first time, and the final 1,000 hectares will be ready for next year.

Water is fed along an open conveyer system that feeds balancing tanks all the way down to the coast. At Pafos alone there are nearly 400 miles of pipes and the main reservoir holds 50 cm of fresh water, with demand supplemented from bore holes.

Farmers have the benefit of fully automated water supplies 24 hours a day and they are being encouraged to grow early crops that will extract

premium prices. Once an initial subsidiary period is finished the water will cost about 20p a cu m so that capital and running costs can be recovered.

Mr P. Michaelides, deputy manager of the project, said: "The water will see expensive."

"But it will save labour and allow a higher return from premium crops that will be top export quality."

The irrigated area has been split roughly in two with one half supporting seasonal and early vegetables and soft fruit and the other growing citrus trees, avocados, table grapes and deciduous trees. There are also government grants for plastic tunnels or greenhouses to encourage even earlier production.

Mr Andreas Petronidas, Cyprus director of trade, said: "We believe we will be able to both increase and improve agricultural production as these irrigation projects progress."

"The EEC has been very protectionist, especially in the field of agricultural products and we are constantly looking for new exportable foods that can attract high prices for the quality we can provide."

The island's other problem is

marketing, or lack of it, and top level talks are under way in an attempt to set up a vegetable marketing board, probably along the lines of the successful Cyprus Potato Marketing Board.

Some former well-known brands are favoured, with the backing of an organisation similar in structure to Food for Britain.

Since the invasion in 1974 the Turkish part of Cyprus has been able to trade on the export success in Europe of the Greek Cypriots. Now the Greeks are keen to establish the exact origin of the goods on sale here.

They fear the loss of traditional European markets as Spain moves nearer full EEC membership and their own Association Agreement—signed in 1973—shows no sign of progressing. They still pay damaging customs trade tariffs and have quota restrictions on a wide variety of imports.

"It shows no sign of progressing. They still pay damaging customs trade tariffs and have quota restrictions on a wide variety of imports."

Minister of Agriculture and Natural Resources, said: "We have to be ingenious to survive. We are doing all we can to improve quality and production but we need to be able to trade competitively with our European neighbours."

French lower EEC sugar forecast

PARIS—The French sugar market intervention board (Fira) has lowered its forecast of 1984-85 EEC sugar production to 12.15m tonnes (white value) from the 12.24m estimated a month ago.

In 1983/84 the EEC produced a total of 11m tonnes.

Fira estimated total Community beet sugar output at 11.94m tonnes against 11.03m last month and 10.72m in 1983-1984.

It lowered estimated average yield to 6.85 tonnes per hectare from 6.9 last month and compared with 6.42 tonnes in 1983-

1984. The area planted estimate was left unchanged at 1.73m hectares compared with 1.67m in 1983-84.

Fira said its latest total EEC production estimate would be reached only if the weather were favourable in the next two months. If not, final output would be lower and could be less than 12m tonnes.

Lower production estimates for France, Belgium, Britain and Ireland caused the lower overall EEC production estimate.

There is little doubt that world sugar prices had reached

the bottom of the current bear market and may well begin to edge higher in the New Year, although a dramatic improvement is unlikely, London trade house E. D. and F. Man said in its monthly market report.

There was less urgency for the Soviet Union to re-enter the market for the New Year, although a dramatic improvement is unlikely, London trade house E. D. and F. Man said in its monthly market report.

The USSR had already bought more than 500,000 tonnes of raw sugar for delivery in the fourth quarter of this year, somewhat more than usual. Reuter

Cloning to boost forest productivity

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE "super spruce" has arrived in Britain's developing forest industry. Techniques developed by the Forestry Commission which cut the development time for new trees by 20 per cent and increase the productivity of a forestry plot by more than 10 per cent have entered commercial production.

Elite Trees, a company formed by Forestry Commission staff and private investors in Lincolnshire, recently

announced a joint commercial production unit for genetically improved sitka spruce at the Bogallen Nursery near Inverness.

One problem with forest development has been isolating superior strains of trees and in turn developing these quickly. The techniques now adopted from the Forestry Commission by Elite Trees will enable up to 50 trees to be produced from one spruce seedling. The technique involves grow-

ing seedlings and planting further trees from cuttings and repeating the process with a second generation of cuttings. Normally a spruce would not produce seeds for at least 30 years. The Forestry Commission is to supply 2,500 sitka seeds a year.

This method of cloning healthy trees has increased tree production by up to 30 per cent in New Zealand, according to Mr Mike Ashmore, chairman of Elite. The increase

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KARACHI—Pakistan hopes to resume cotton exports this year after a disastrous harvest last season, Mohammad Fazil Janjua, Food and Agriculture Minister, said.

He told a group of agricultural advisers for the 1984-1985 crop (September to May) were satisfactory.

In Moscow meanwhile the Selskoye Zhizn (Rural Life) newspaper said the cotton harvest in Soviet Turkmenia, the main growing area for fine fibre cotton, had been delayed

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 5 1984	+ or -	Month ago
Aluminium	£1100	-	£1100
Free molybdenum	£126,245	+15	£126,205
Copper	£1098.5	-2.5	£1096
3 mths	£1118.75	-2.75	£1121.5
5 mths	£1118.5	-2.5	£1121
Gold tray oz.	£343	+0.5	£342.5
Lead	£31.75	-	£31.75
3 mths	£32.75	+0.75	£32
5 mths	£32.75	+0.75	£32
Nickel	£3792.5	-	£3792.5
3 mths	£3840	-	£3840
5 mths	£3840	-	£3840
Palladium	£147.25	+1.75	£145.5
Platinum	£336	+5.5	£330.5
Spot silver	£69.8	-	£69.8
3 mths	£69.8	-	£69.8
5 mths	£69.8	-	£69.8
Tin	£2950	-	£2950
3 mths	£2950	-	£2950
5 mths	£2950	-	£2950
Zinc	£633.75	-	£633.75
3 mths	£633.75	-	£633.75
5 mths	£633.75	-	£633.75

BRITISH COMMODITY PRICES

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

BASE METALS

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

AMERICAN MARKETS

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

LONDON OIL SPOT PRICES

Latest	Change
Arabian Light	+0.05
Brent	+0.05
North Sea	+0.05
West African	+0.05
Urals	+0.05

GAS OIL FUTURES

Month	Year days	+ or -	Business Done
Nov	146-20-45.48	+0.78	345-70-45.88
Dec	146-20-45.48	+0.78	345-70-45.88
Jan	146-20-45.48	+0.78	345-70-45.88
Feb	146-20-45.48	+0.78	345-70-45.88
Mar	146-20-45.48	+0.78	345-70-45.88
Apr	146-20-45.48	+0.78	345-70-45.88
May	146-20-45.48	+0.78	345-70-45.88
Jun	146-20-45.48	+0.78	345-70-45.88
Jul	146-20-45.48	+0.78	345-70-45.88
Aug	146-20-45.48	+0.78	345-70-45.88
Turnover	140 (242)	lots of 100 trays	

COCAOA

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

INDICES

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

FINANCIAL TIMES

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

REUTERS

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

CHICAGO

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

GOLD MARKETS

Gold rose \$4 to \$343.343 in the London bullion market yesterday. The metal opened at \$341.342 and was fixed at \$342.30 in the morning and \$342.45 in the afternoon. It touched a peak of \$343.344 and a low of \$341.341.

In Paris the 12 1/2 kilo gold bar was fixed at FF 99,800 per kilo (€344.59 per ounce) in the afternoon compared with FF 99,550 (€343.05) Monday morning and FF 99,200 (€340.33) Friday afternoon.

In Frankfurt the 12 1/2 kilo bar was fixed at DM 3,445 per kilo (€343.49 per ounce) against DM 3,220 (€339.49), and closed

LONDON FUTURES

Month	Year days	+ or -	Business Done
Nov	146-20-45.48	+0.78	345-70-45.88
Dec	146-20-45.48	+0.78	345-70-45.88
Jan	146-20-45.48	+0.78	345-70-45.88
Feb	146-20-45.48	+0.78	345-70-45.88
Mar	146-20-45.48	+0.78	345-70-45.88
Apr	146-20-45.48	+0.78	345-70-45.88
May	146-20-45.48	+0.78	345-70-45.88
Jun	146-20-45.48	+0.78	345-70-45.88
Jul	146-20-45.48	+0.78	345-70-45.88
Aug	146-20-45.48	+0.78	345-70-45.88
Turnover	140 (242)	lots of 100 trays	

LEAD

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

COFFEE

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

SOYABEAN MEAL

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

COTTON

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum	+5.5	£336
Silver	-	£69.8
Tin	-	£2950
Zinc	-	£633.75

MEAT/FISH

Nov. 5 1984	+ or -	Month ago
Aluminium	-	£1100
Copper	-	£1098.5
Gold	+0.5	£343
Lead	-	£31.75
Nickel	-	£3792.5
Palladium	+1.75	£147.25
Platinum		

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak, but pound firm

The dollar continued to weaken on the foreign exchanges yesterday. Dealers suggested the dollar may receive a small boost...

ree to 75.2 from 75.7, after opening at 75.3, and compared with 80.8 six months ago.

STERLING - Trading range against the dollar in 1984 is 3.1410 to 2.5523, October average 3.0678.

FINANCIAL FUTURES

Gilts firm

Gilt prices rose in the London International Financial Futures Exchange yesterday on the prospect of lower UK interest rates.

reflected two schools of thought. On the one hand the Federal Open Market Committee was expected by some to relax its monetary stance still further...

STERLING EXCHANGE RATE INDEX

Table with columns: Time, Rate, Previous. Rows: 8.30 am, 9.00 am, 10.00 am, 11.00 am, Noon, 1.00 pm, 2.00 pm, 3.00 pm.

New York rates

Table with columns: Instrument, Rate, Previous. Rows: 2 spot, 1 month, 3 months, 6 months.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, Rate, % change. Rows: Belgium, Denmark, France, Germany, Greece, Italy, Netherlands, Portugal, Spain, UK.

POUND SPOT-FORWARD AGAINST POUND

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

OTHER CURRENCIES

Table with columns: Country, Currency, Rate. Rows: Argentina, Australia, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, India, Israel, Italy, Japan, Korea, Luxembourg, Malaysia, New Zealand, Norway, Portugal, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, Thailand, U.A.E., Yugoslavia.

CURRENCY MOVEMENTS

Table with columns: Currency, Bank of England, Morgan Guaranty, % change. Rows: Sterling, U.S. dollar, Canadian dollar, Australian dollar, etc.

CURRENCY RATES

Table with columns: Currency, Rate, % change. Rows: Sterling, U.S. dollar, Canadian dollar, Australian dollar, etc.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate. Rows: Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Term, Rate, % change. Rows: 3 months, 6 months, 12 months.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

MONEY MARKETS

Bank of England cuts dealing rates

The Bank of England reduced its money market intervention rates by 1/8 per cent yesterday. The move seen by most as preceding a similar reduction in UK clearing bank base rates.

MONEY RATES

Table with columns: Term, Rate, % change. Rows: Overnight, 1 month, 3 months, 6 months, 12 months.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

MONEY RATES

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

NEW YORK (Luschemie)

Table with columns: Instrument, Rate, % change. Rows: Prime rate, Fed funds, Treasury bills, etc.

TREASURY BILLS

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

EURO Fixed Rate Export Finance Scheme

September 5 to October 2 1984 (inclusive). 10.904 per cent. Local authorities and financial houses' notice, others seven days' fixed.

LONDON

Table with columns: Instrument, Rate, % change. Rows: 3-month Eurodollar, 6-month Eurodollar, etc.

U.S. TREASURY BONDS

Table with columns: Term, Rate, % change. Rows: 1 year, 2 year, 3 year, 5 year.

CHICAGO

Table with columns: Instrument, Rate, % change. Rows: 3-month Eurodollar, 6-month Eurodollar, etc.

U.S. TREASURY BONDS

Table with columns: Term, Rate, % change. Rows: 1 year, 2 year, 3 year, 5 year.

20-YEAR 12% NATIONAL GILT

Table with columns: Instrument, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

STERLING DEPOSIT

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

DEUTSCHE MARK

Table with columns: Instrument, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

JAPANESE YEN

Table with columns: Instrument, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

FT-SE 100 INDEX

Table with columns: Instrument, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

EURO CURRENCY INTEREST RATES

Table with columns: Term, Rate, % change. Rows: 3 months, 6 months, 12 months.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % change. Rows: 1 month, 3 months, 6 months, 12 months.

UP FRONT Badgemakers logo featuring a tiger and a bus. Text: Deep stamped copper badge in multi-colour finest vitreous enamel, designed and produced for THE Layland Tiger Buses.

FINANCIAL FUTURES TAKE OUR CURRENT BRIEF, FREE. GNI are leading members on LIFFE. offering a combination of expertise in both the cash and the futures markets.

£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against major currencies as of November 5, 1984.

Large table with columns: COUNTRY, CURRENCY, VALUE OF £ STERLING. Rows include Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Belize, Bermuda, Bhutan, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burma, Burundi, Cambodia, Canada, Cape Verde, Cayman Islands, Ceylon, Chile, China, Colombia, Costa Rica, Cuba, Cyprus, Czechoslovakia, Denmark, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Falkland Islands, Faroe Islands, Finland, France, French Guiana, French Polynesia, Gabon, Gambia, Germany, Ghana, Greece, Greenland, Grenada, Guadeloupe, Guam, Guatemala, Guinea, Guyana, Haiti, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iran, Iraq, Irish Republic, Israel, Italy, Ivory Coast, Jamaica, Jordan, Kampuchea, Kenya, Kiribati, Korea, Kuwait, Laos, Lebanon, Lesotho, Liberia, Libya, Luxembourg, Macao, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Micronesia, Monaco, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Pitcairn Islands, Poland, Portugal, Puerto Rico, Qatar, Reunion, Romania, Rwanda, St. Christopher, St. Helena, St. Lucia, St. Pierre, St. Vincent, Salvador, Samoa, San Marino, Sao Tome & Principe, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Singapore, Solomon Islands, Somalia, South Africa, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Tonga, Trinidad, Tunisia, Turkey, Turkmenistan, Tuvalu, Uganda, United States, Uruguay, Uzbekistan, U.S.S.R., Vanuatu, Vatican, Venezuela, Vietnam, Virgin Islands, Western Samoa, Yemen, Yugoslavia, Zambia, Zimbabwe.

